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Daily Report

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General

Foreign Ministry Holds Weekly News Briefing

Leaders Schedule News Conference

OW2109134289 Tokyo KYODO in English
1313 GMT 21 Sep 89

[Text] Beijing, Sept. 21 KYODO—The Foreign Ministry announced Thursday that General Secretary Jiang Zemin and other leaders of the Chinese Communist Party will meet Chinese and foreign reporters next Tuesday [26 September].

Ministry spokesman Li Zhaoxing told a weekly news briefing it will be the first press conference held by the party's news leadership since the government's crackdown in June on pro-democracy demonstrators.

Li said the press conference will start at 10 a.m. [0200 GMT] in the Great Hall of the People and will last until 11:30 a.m. Chinese leaders will answer questions to be raised by journalists.

Jiang succeeded reformist Zhao Ziyang after the military crackdown on student-led pro-democracy demonstrators at Tiananmen square in the capital June 3-4. The new leadership was inaugurated in late June.

Jiang and other leaders are expected to say they will continue reform and open-door policies.

The Foreign Ministry originally planned to hold a meeting Friday between the leaders and representatives from 10 media organizations from 10 countries.

Informed sources said the ministry has changed the policy because there was some criticism that a restricted press conference runs counter to the open-door policy.

Li said foreign correspondents and Chinese reporters—and press officers at foreign embassies in Beijing—can attend Tuesday's press conference.

Qian Qichen To Visit Iran

OW2109093089 Beijing XINHUA in English
0918 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—Chinese Foreign Minister Qian Qichen will pay a goodwill visit to Iran from October 6 to 8, as guest of his Iranian counterpart, 'Ali Akbar Velayati, a Chinese Foreign Ministry spokesman announced at a weekly news briefing here today.

'Criminals' on Foreign Soil

OW2109095989 Beijing XINHUA in English
0919 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—China firmly opposes any foreign countries that have diplomatic relations with China allowing Yan Jiaqi and other Chinese criminals to conduct activities on their territories aimed

at overthrowing the Chinese Government, a Foreign Ministry spokesman said here today.

At a weekly news briefing here this afternoon, Spokesman Li Zhaoxin said Yan and some other people are criminals wanted by the Chinese police for stimulating and organizing the June counter-revolutionary rebellion in Beijing.

Their plan to set up a "Democratic China Front" is aimed at overthrowing the Chinese Government, Li said.

Sihanouk Stand on Cease-Fire

OW2109114189 Beijing XINHUA in English
1115 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China considered it justifiable that Prince Sihanouk and the Coalition Government of Democratic Kampuchea had refused to start a cease-fire prior to an agreement on a comprehensive settlement of the Kampuchean issue.

He made the remark in response to question seeking comment on a proposal put forward by some people in the international community that the Cambodian factions should effect a cease-fire first, pending an agreement among all the parties concerned on a comprehensive settlement of the Cambodian question.

The spokesman said that at present, what deserved grave, vigilant attention of the international community is the fact that Vietnam still lacks sincerity for a political settlement of the question of Cambodia. It is still employing tricks on the question of troop-withdrawal and placing a variety of obstacles in the way of a comprehensive settlement of the Cambodian question. "A cease-fire should constitute an integral part of a comprehensive settlement," he said.

"Since Vietnam and the Hun Sen side have refused to come to an agreement on a comprehensive settlement, there cannot be a genuine cease-fire," the spokesman said.

Pakistani Delegation To Visit

OW2109100189 Beijing XINHUA in English
0914 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—A delegation of Pakistan's National Assembly headed by its President Miraj Khalid will pay a good-will visit to China from September 24 to October 2 at the invitation of China's National People's Congress Standing Committee, a Chinese Foreign Ministry spokesman announced here today.

Burkina Faso Turmoil

*OW2109105189 Beijing XINHUA in English
1033 GMT 21 Sep 89*

[Text] Beijing, September 21 (XINHUA)—A Chinese Foreign Ministry spokesman here today expressed the hope that Burkina Faso will achieve social stability and economic development.

Li Zhaoxin said this at a news briefing in response to a question on the recent turmoil in the country.

Li described the recent visit to China by Blaise Compaore, head of state and government of Burkina Faso, as "successful."

Relations between China and Burkina Faso have been developing very well, he added.

Eritrean Issue

*OW2109104489 Beijing XINHUA in English
1032 GMT 21 Sep 89*

[Text] Beijing, September 21 (XINHUA)—China hopes that the Eritrean question will eventually be properly solved through peaceful consultations and by overcoming difficulties, so as to facilitate the social stability and economic development in Ethiopia, a Chinese Foreign Ministry spokesman said here today.

Recently, the representatives of the Ethiopian Government and the Eritrean People's Liberation Front held talks on a peaceful settlement of the Eritrean question in Atlanta of the United States.

Commenting on the event, Spokesman Li Zhaoxin said at a news briefing that "we have taken note" of the six-point proposal on a peaceful settlement of the Eritrean question put forward at the special session of the National Assembly of Ethiopia on June 5.

This, Li continued, constituted a positive effort made by the Ethiopian Government to put an early end to the chaos caused by war in the north of the country and preserving the national unity.

Li said the Atlanta talks represented the first step taken by Ethiopia toward ending the chaos and realizing peace, of which China is appreciative.

Yao Yilin To Visit GDR

*OW2109094089 Beijing XINHUA in English
0928 GMT 21 Sep 89*

[Text] Beijing, September 21 (XINHUA)—Yao Yilin, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee and vice-premier, will lead a party and government delegation to the German Democratic Republic (GDR) to attend celebrations of the country's 40th founding anniversary and for a good-will visit from October 2 to 9.

The delegation will be guests of the Central Committee of the Socialist Unity Party of Germany and the GDR Government, a Chinese Foreign Ministry spokesman announced at a weekly news briefing here today.

Troop Reduction Talks With USSR

*OW2109091489 Beijing XINHUA in English
0858 GMT 21 Sep 89*

[Text] Beijing, September 21 (XINHUA)—Chinese Foreign Ministry Spokesman Li Zhaoxing said that both China and the Soviet Union have expressed the wish to reduce their military forces stationed along their border. Both sides will form specialists' groups to hold negotiations in this regard.

Li made the remarks in response to a reporter's question on the issue at a news briefing here this afternoon. Li said that the time for the negotiation is still being discussed.

Canberra Delegate Supports Chemical Weapons Ban

*OW2109090589 Beijing XINHUA in English
0853 GMT 21 Sep 89*

[Text] Canberra, September 21 (XINHUA)—The Chinese Government and chemical industry lend wholehearted support to the objective of complete prohibition and thorough destruction of chemical weapons.

Speaking at the government-industry conference against chemical weapons here today, Zhang Zai, head of the Chinese delegation to the conference, said the Chinese Government appreciated the industry statement agreed yesterday by representatives from world's chemical industries expressing their willingness to work actively with governments to achieve a global ban on chemical weapons.

Zhang Zai stressed that "China neither possesses nor produces chemical weapons." "China has all along attached great importance to and taken an active part in the negotiations on the chemical weapons convention in Geneva, working constructively for its early conclusion."

"We hope that all governments and the chemical industry will strengthen their cooperation and jointly contribute to the conclusion and implementation of the chemical weapons convention," he said.

Zhang Zai, also Chinese ambassador to Australia, said "the most effective way to remove the threat of chemical weapons and to solve the problem of their proliferation is the early conclusion of a convention totally banning them."

He noted that negotiations on the chemical weapons convention in Geneva had registered notable progress. There remained, however, quite a few hurdles to be overcome.

He said the enormous chemical arsenals of the United States and the Soviet Union posed a grave threat to

world peace and security. "Their chemical weapons, in large quantities and constantly being updated technologically, make earlier versions pale in comparison in terms of both toxicity and lethality."

"It is widely held internationally that mass production of a new generation of chemical weapons, namely binary chemical weapons, by the United States undoubtedly adds difficulties to the efforts for banning chemical weapons," he added.

He urged the countries with the largest chemical arsenals to take the lead in ensuring an immediate stop to the development, production, transfer and deployment of chemical weapons and destroy them within the shortest possible time, thereby paving the way for the ongoing negotiations with actual deeds.

Article on International Detente Prospects

HK1409095189 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 37, 11 Sep 89 pp 6-7

[Article by Chai Chengwen (2693 2052 2429), vice president of the Beijing International Strategy Society: "Be Alert against the Sabotaging of International Detente"]

[Text] *Gist of contents: The tendency of detente in the international situation is now developing in depth, but the struggle between the United States and the Soviet Union as rivals, the struggle between the two different social systems, and the competition in comprehensive national strength between various big powers remain very fierce, so the possibility of the appearance of twists and turns in the process of detente cannot be ruled out.*

Since the mid-1980's, due to the joint efforts of the peace-loving peoples throughout the world, a series of positive changes have occurred in the world situation. The substantial changes are marked by the replacement of confrontation with dialogue and the replacement of tension with detente. It is possible that a new period favorable to peace and development will appear in the world. This year, some unstable factors became more prominent in international relations. For example, the United States and other Western countries intensified their activities of peaceful infiltration and interference in some socialist countries, while the latter encountered difficulties in the course of their advance. In general, however, the detente tendency in the international situation still developed in depth and was not reversed.

The detente tendency in the international situation mainly finds expression in the military and security aspect. That is, the factors for safeguarding peace and checking war have been continuously strengthened, and war has become a more and more unpopular means for solving conflicts of interest.

In the more than 40 years since the end of World War II, local wars and armed conflicts have never ceased. In the 1950's and 1960's, the United States launched several

local wars, and the two superpowers, namely the United States and the Soviet Union, stepped up their global rivalry. The world was thus pushed to the brink of another world war. From the mid-1970's to the early 1980's, a series of new regional conflicts broke out in succession. In particular, the Soviet Union behaved more aggressively and embarked on many military adventures. At the same time, the arms race between the United States and the Soviet Union, especially in the nuclear field, continued to intensify. The nuclear weapons they possessed exceeded the equivalent of 10 billion tons of TNT, which could destroy the earth several dozen times over.

However, human history has proved more than once that things will develop into their opposites. Postwar history also shows that some countries, especially the two superpowers, have tried to seek political and economic interests by resorting to military means, and this has not only caused untold suffering to the people in other countries but also caused painful losses to themselves. They knew that the game was not worth the candle. The arms race between the Soviet Union and the United States not only added unbearable economic burdens to themselves and wore down their national strength, but also failed to make them feel "safer." Instead, they turned themselves into "hostages" against nuclear war and brought "terror-bound peace" to the world. This was strongly opposed by all people, including the people of the superpowers, who demanded a peaceful life.

It was against this background that the United States and the Soviet Union, as well as the East-West relations they represented, began to relax after the longstanding cold war and fridity in the postwar period. Their talks on arms control and disarmament made progress in many aspects and made substantial breakthroughs on some issues. The favorable tendency is now still continuing. In the whole world, most regional "hot spots" are developing in the direction of political settlement, and various forces between the East and the West have begun extensive dialogues. Therefore, we can predict that within this century or for a longer period, a new world war or a major global war will not break out, and local wars and regional armed conflicts will tend to decrease, although they will not cease completely.

However, we should also soberly notice that various basic contradictions in the world remain unsolved, and there still exist various factors seriously affecting stability in the development of the international situation. We cannot rule out the possibility that twists and turns may occur in the process of detente.

First, the two superpowers, namely the United States and the Soviet Union, remain main rivals in the contention for military superiority and for the control of strategic key points. Their rivalry will not cease, and the consequent regional tensions will continue. At present, the military expenditure of both the United States and the Soviet Union remains at a high level. Although they may reduce the quantity of weapons and slow down the

speed of arms development in the future, they will not relax their efforts to raise the technology and quality of their weapons and military equipment. That is, their rivalry will shift from contention for quantitative superiority to contention for qualitative superiority. At the same time, their arms race will continue to extend into outer space. There are signs that the United States and the Soviet Union have obviously intensified their rivalry for superiority in space technology, including that for military purposes, and that both sides are trying to dominate the "high frontier." It is expected that in the early 21st century, both the United States and the Soviet Union will possess a certain space offensive ability and will gradually build up their strategic military structures for both offensive and defensive purposes. The United States has intensified its offensive regarding regional rivalry. Although the Soviet Union has restrained itself in this aspect, it will not easily give up its interests in crucial areas, so their struggle will continue to be fierce. Although various hot spots in the world have begun to cool down, none of them has been thoroughly solved. A major reason is that the United States and the Soviet Union are still continuing their interference in affairs in these areas. In some regions, although the United States and the Soviet Union have ended their undisguised military interference, they are still providing weapons or other forms of military assistance to the parties they support in an attempt to continue their influence over the development of affairs there. In particular, although the two major military blocs, namely the Warsaw Pact and NATO, have relaxed their serious military confrontation, they are still undermining each other in various aspects, and such intrigues sometimes become rather fierce. The United States and other Western powers, by making use of the new situation in Eastern Europe, have adopted a "discriminatory treatment" policy to disintegrate Eastern Europe and to undermine the interests of the Soviet Union. On the other hand, the Soviet Union has also strengthened its diplomatic offensive against Western Europe by putting forward the slogan of "building a European house" and advocating the concept of a "Europeans' Europe" in order to promote the independent tendency in Western Europe and sow discord between Western Europe and the United States.

Second, the struggle between the two systems of socialism and capitalism and the two corresponding ideological systems in the world will still be extremely intense and complicated under the new conditions, and this has become a rather prominent issue in the development of the new situation. Many socialist countries are now carrying out reforms and pursuing an opening up policy in order to improve their socialist systems, instill new vigor into socialism, and bring the advantages of the socialist system into better play. However, the Western capitalist countries, headed by the United States, are trying to take advantage of some difficulties encountered by the socialist countries in the course of their development to launch a round of ideological offensives and to step up cultural infiltration in an attempt to effect peaceful evolution in the socialist

countries. Sometimes they even blatantly and rudely interfere in the internal affairs of the socialist countries. This not only infringes on the norms of international relations accepted by all nations, but also threatens the process of detente in the world.

Third, the large-scale competition in the field of comprehensive national strength based on economic and technological development between all countries in the world, especially between the big powers, has been intensified. Many countries have adjusted their national strategies and are paying more attention to economic development and to the enhancement of scientific and technological levels. They now fix their eyes on competition in the 21st century. Such competition will go on not only between the Western countries, but also between the most developed Western countries. [sentence as published] In the future, the contradictions and conflicts between various countries in the world, especially between the developed Western countries, will become more intense; and the so-called "North-South contradictions" between the developed and the developing countries will also become more intense. Group interests and regional interests, as well as the protectionist tendency, in the world economy will become more prominent. Some countries will intensify their rivalry over controversial territorial land and territorial waters and over resources therein for the sake of their economic development. All this may lead to a new unstable situation.

The international situation will continue to develop in a direction favorable to peace and development, and this is the result of the interactions and struggles between various forces in postwar international relations and represents human historical progress. However, in order to maintain and develop this tendency, all peoples in the world still need to make unremitting efforts and prevent the disruption of the detente tendency. At present, we should continue to stress the maintenance and implementation of the five basic principles for peaceful coexistence in international relations, continue to oppose interference in other countries' internal affairs by military or other means, and continue to strive for the establishment of a new international political order based on the Five Principles for Peaceful Coexistence.

Wan Li Meets Asian Games Delegates

OW2109130889 Beijing XINHUA in English
1219 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—Wan Li, chairman of the Standing Committee of the Chinese National People's Congress, met here today at the Great Hall of the People the delegates from Asian countries and regions attending the invitation issuing ceremony for the 1990 Beijing Asian Games.

While expressing warm welcome to the visitors, Wan also hoped that they would leave their positive suggestions since only one year was left before the Asian Games.

"So we can make the games a great festival of unity, friendship and progress, so that to promote peace, progress and civilization of Asia," he said.

"With the support of the people of the whole country and the member federations of the Olympic Council of Asia [OCA], next year's Asian Games will be held successfully," he added.

The 11th Asian Games will be held in Beijing between September 22 to October 7 next year. The games's organizing committee will issue the official invitations to all the 38 member sports organizations of the Olympic Council of Asia later today at a ceremony.

Representatives from 34 OCA member organizations are to attend the ceremony for issuing the invitations while the invitations for the remaining four members of the OCA—Chinese Taipei, Bahrain, Bhutan, and Brunei, which did not send delegates to the ceremony, will be mailed.

United States & Canada

Commentary Considers U.S. Bases Abroad

HK2009144489 Beijing JIEFANGJUN BAO
in Chinese 3 Sep 89 P 4

[“Weekly Commentary” by Li Qinggong (2621 1987 0501): “Overseas Military Bases Issue Gives the United States a Big Headache”]

[Text] In early August a proposal was presented by Singapore on the issue of U.S. military bases in the Philippines. While it expressed support for the continued use by the United States of Clark Air Base and Subic Naval Base, it also indicated its willingness to host partial U.S. military facilities in Singapore in order to maintain a U.S. military presence in the Southeast Asia region and to remove some of the political pressure from the Philippines caused by the bases issue.

As soon as the proposal was announced, the Southeast Asian nations immediately showed great interest. Thailand threw its support behind the proposal, claiming that it “would enhance the balance of forces in the region and thus ensure the region’s security.” Malaysia said that it was not opposed to the Singaporean proposal, while Indonesia basically adopted a wait-and-see attitude. However, these countries also maintained that Singapore’s proposal runs contrary to the ASEAN’s objective of “establishing a zone of freedom, peace, and neutrality in Southeast Asia”, and expressed concern that this move would provoke the Soviet Union into stepping up its military strength in the region and, thus, affect the settlement of regional problems, including the Cambodian issue. Nevertheless, what is of interest is not merely the response by the Southeast Asian countries vis-a-vis the issue but the new developments regarding U.S. overseas military bases and the readjustment of such facilities as reflected by this issue.

As a global military power the United States has always emphasized overseas military deployment and infrastructure and regarded these as a crucial link in peacetime preparation against future war. According to estimates in the Soviet military journal *KOMMUNIST VOORUZHENNIKH SIL*, the United States presently has nearly 500,000 military personnel stationed in 1,600 military bases and installations in 34 countries. In particular, its bases and troops in Europe and Asia enjoy an absolute advantage in terms of number and scope over those in other regions. This not only shows that the United States places far greater strategic importance on the mainland of Europe and Asia than on any other region but also demonstrates lingering traces of such traditional concepts as “two and a half wars” or “one and a half wars” in so far as the deployment and build-up of U.S. overseas military bases and installations are concerned. In the light of the growing trend toward East-West detente, the diminishing level of military confrontation, and the intensification of arms control and disarmament, the United States is currently also reorganizing to a certain degree its overseas military bases and installations, with the following goals: Reducing the number of overseas troops while at the same time raising their quality; giving up ordinary base facilities and focusing efforts instead on keeping strategic “key points” and “vital points”; and sharing defense commitments with its allies and reducing its own economic burden.

In accordance with these objectives the United States is planning or considering the closure of some overseas military bases and installations, partial withdrawal of its overseas army and air force personnel, and appropriate reorganization of the troops deployed in “key points” or “vital points”, either by transfer or being relieved of their duties. The most serious and most urgent problem confronting the United States in the Asia-Pacific region is the expiration of the lease of its air and naval bases in the Philippines in 1991 and the absence of any indication of extending the lease on the part of the Philippines due to internal political factors. The U.S. military bases in the Philippines are the biggest U.S. military facilities outside the country. The importance of their strategic location, sophistication of the installations and facilities, and the enormous size of the bases simply make it very difficult for the United States to give them up. In January this year, even as the United States approved the closure of 86 military bases in the United States, it also allocated \$130 million to upgrade facilities at Clark Air Base. This shows that the United States values its two bases in the Philippines. In June and August this year, Admiral Hardistie, commander-in-chief of the U.S. Pacific Command, and a military technical team were sent by the United States to conduct an on-the-spot inspection in Singapore and explore the possibility of using that country’s military facilities. However, the conclusion was that while “Singapore’s strategic location in the Pacific region is indeed quite attractive, it cannot replace the two large U.S. bases in the Philippines”. Accordingly, observers believe that the United States at

the U.S.-Philippines summit scheduled at the end of the year will use \$962 million in aid to be released in 1989 and 1990 as bait and try to persuade the Philippines to keep the two military bases. In addition, the United States may also choose to close down the "Pacific Region Logistics and Support Center" located in Japan's Kadena Air Base, transfer the 26th Tactical Fighter Wing based in the Philippines' Clark Air Base to Japan, and move part of the Philippines-based military facilities to Singapore.

Similar bases problems confront the United States in Western Europe where it has nearly 200 military bases and installations in West Germany (based on Soviet estimates). However, out of consideration for its own security and interests, West Germany has repeatedly urged the United States to comply with the trend toward East-West detente by withdrawing its military bases and facilities and by cutting back on its West German-based troops. Owing to concerns about the common security interest of the West, and the need to have some bargaining chips for disarmament talks, the United States has adopted an ambiguous attitude and has shown no inclination to close down its bases nor withdraw its troops. However, it takes an entirely different attitude and position on the question of its military bases and installations in England. Some 30,000 U.S. military personnel are stationed in the 66 U.S. military bases and installations in England. Because of the need to cut down on its defense expenditures and because of the disarmament talks, the United States in August this year informed England that if talks with the Warsaw Pact organization on reduction of conventional arms prove successful, the United States will close down some of its major military bases and installations in England as part of the disarmament agreement.

The U.S. plan to reorganize its overseas military bases and facilities is motivated by several factors. First of all, eliminating military confrontation and realizing East-West detente has now become a popular demand in Western countries, especially in Western Europe. As its spokesman, the United States, while still adhering to a policy of "position of strength", is obliged to make some kind of concrete manifestation in order to preserve Western unity and present a singular voice in talks with the Soviet Union. Besides, as far as the United States is concerned, reduction or reorganization of part of its non-strategic overseas military presence is a move that incurs the smallest risk yet produces the biggest impact. Furthermore, such a move could also force its allies to take a bigger share of defense obligations. Secondly, the propaganda offensive mounted by the Soviet Union on the issues of arms control and disarmament, notably the call for mutual withdrawal from the Soviet military base in Cam Ranh Bay and the U.S. military bases in the Philippines, has in effect put the United States on the spot. The United States has to make a response in order to counter the Soviet offensive and reverse its defensive position. Appropriate reorganization of its overseas military bases and installations will not affect the overall

balance of power situation. Furthermore, instability in the domestic political conditions in some countries also forces the United States to reassess the nature, scope, and location of some of its overseas military bases and installations and to formulate plans for their reorganization. The last factor is the U.S. fiscal budget. An insufficient military budget and tight allocation of resources are big problems for the United States' vast military bases and installations overseas. The conflicting views of such political forces as the Congress with those of the government on national security strategy heighten the difficulty in resolving these problems. Summing up, the issue of U.S. overseas military bases and installations poses a challenge to the U.S. Government. To meet this challenge without affecting U.S. strategic interests overseas is indeed a thorny issue for the U.S. Government.

Wu Xueqian Meets U.S. Tourism Delegation

OW2109114589 Beijing XINHUA in English
0900 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—Chinese Vice Premier Wu Xueqian met here this afternoon with a delegation from the travel and tourism committee of the U.S.-China Business Council led by the committee's vice-chairman David Parry.

The visitors are here as guests of China's National Tourism Administration.

Northeast Asia

Further on DPRK Deputies Meeting With Jiang

HK2109023789 Beijing RENMIN RIBAO in Chinese
20 Sep 89 p 1

[Dispatch by reporter Gu Yuqing (7357 3768 3237): "Jiang Zemin Meets Son Song-pil: Both Stress Further Development of Sino-Korean Traditional Friendship"]

[Text] Beijing, 19 Sep—At 1500 today, Jiang Zemin, general secretary of the CPC Central Committee, met in Zhongnanhai with a delegation from the Supreme People's Assembly of the DPRK, which is headed by its Vice-Chairman Son Song-pil.

The delegation of the Korean Supreme People's Assembly arrived in China on 6 September for a friendly visit at the invitation of the National People's Congress [NPC] Standing Committee.

Jiang Zemin said: There is a traditional and firm friendship between China and Korea. The Chinese people highly cherish this friendship. China consistently supports the Korean people's struggle for the peaceful reunification of their fatherland.

Jiang Zemin also said: While persisting in reform and opening up, we should be highly vigilant against the corrosion of decadent bourgeois ideas. China will continue to adhere to one center, two basic points.

Son Song-nil said: In our visit to Beijing, Shanghai, Shanxi, Henan, and Shandong, we feel that the friendship cemented with blood by the Korean and Chinese peoples is profound and strong. The Korean party, government, and people will do their utmost to further develop this friendship in the future. He also said: During our visit we have also witnessed the tremendous achievements attained by China in the past 40 years, especially since the 3d Plenary Session of the 11th CPC Central Committee. This shows that the series of principles and policies worked out by the CPC are correct.

NPC Standing Committee Vice-Chairman Xi Zhongxun was present at the meeting.

Near East & South Asia

Qian Qichen Speaks at Cairo News Conference

Views Mideast Peace

OW2009212389 Beijing XINHUA in English
1948 GMT 20 Sep 89

[Text] Cairo, September 20 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today that China supports all forms of dialogue for a settlement of the Middle East issue, including the nine-month-old U.S.-PLO talks and a proposed Israeli-Palestinian dialogue.

"China supports all parties concerned to conduct all forms of dialogue which they think appropriate," Qian told a press conference which was held this evening on the third day of his current visit to Egypt.

The Chinese foreign minister was referring to official contacts between the United States and the Palestine Liberation Organization which was opened last December after the PLO recognized Israel's right to exist and renounced terrorism.

The idea of an Israeli-Palestinian peace dialogue supposed to be held in Cairo was recently offered by Egyptian President Hosni Mubarak and has touched off a flurry of intensified contacts and diplomatic efforts in the Middle East.

However, Qian added, a final comprehensive settlement could only be reached through a U.N.-sponsored international Middle East peace conference to be attended by the five permanent members of the U.N. Security Council as well as all the parties concerned in the dispute.

China shares the U.N. Security Council permanent membership with the United States, the Soviet Union, France and Britain. The idea of the proposed conference is also favored by Arab states and the PLO.

Qian also expressed China's support for Mubarak's 10-point plan which stipulates the principle of trading

land for peace and participation by the 140,000 residents in the Israeli-annexed East Jerusalem in elections in the occupied territories.

The Chinese Government holds that the Middle East problem should be solved through political means instead of the use of force, he said.

"We call on Israel to immediately stop its repression of the Palestinians in the occupied territories, and withdraw from the ... territories," Qian said, adding that China believes all countries in the Middle East have the right to an independent existence [word indistinct] live in harmony. [sentence as received]

Commenting on the Lebanese crisis, Qian said China is deeply concerned with that country's 14-year-old civil war as well as the latest confrontation and hopes that the peace-seeking efforts by a three-member Arab League committee will succeed.

The committee, which was set up last May and comprises Morocco, Saudi Arabia and Algeria, announced a seven-point peace plan last Saturday calling for an immediate comprehensive ceasefire between all warring parties in Lebanon.

Asked about China's position on the present deadlock in the Iran-Iraq peace talks which began shortly after a U.N.-sponsored ceasefire brought an end to the eight-year Gulf war, Qian said China hopes the two sides will break the deadlock and continue the negotiations for a permanent peace.

The Iran-Iraq war was halted on August 20, 1988, on the basis of U.N. Security Council Resolution 598 adopted in 1987.

Qian said Beijing maintains good relations with both Tehran and Baghdad and he would later visit Iran. But he did not say when the visit would take place.

Answering a question on the prospects of relations between China and Saudi Arabia, the foreign minister said the relations between China and Saudi Arabia have witnessed a new development recently. He is optimistic about developing better ties with the Arab kingdom.

He said China and Saudi Arabia have set up commercial offices in each other's capital. They are non-governmental agencies but their establishment will help further develop relations between the two countries. The two countries have no diplomatic relations so far.

Qian arrived here Monday from Amman, Jordan, on the second leg of his current four-nation Middle East tour which will also take him to Syria and Tunisia.

He has earlier met with Mubarak and other high-ranking Egyptian officials for talks on the Middle East situation and bilateral relations.

The Chinese foreign minister is scheduled to leave Cairo Thursday for Damascus.

Defends Quelling of Rebellion

OW2109005289 Beijing XINHUA in English
0030 GMT 21 Sep 89

[Text] Cairo, September 20 (XINHUA)—China will not change its foreign policy of independence and will continue to push the policies of opening to the outside world and reform to invigorate the domestic economy.

These remarks were made by visiting Chinese Foreign Minister Qian Qichen at a press conference at the Chinese Embassy here today.

"China formulates its policies by proceeding from its own specific conditions, instead of trimming its sails according to changes in wind direction," he said, in reply to a question about whether China will change its foreign policy.

Speaking on China's internal situation, he said that the situation is experiencing a stable development, following the quelling of the rebellion in early June.

In response to questions about sanctions by Western countries against China, he said, "China is so vast a country. We are not afraid of sanctions. Neither are we to be daunted by political pressure. Such sanctions and political pressure are based on incorrect information and judgement of the development of events in China."

In no way can China be isolated, he said.

So long as these foreign governments respect objective facts and observe the accepted principles governing international relations, Qian added, China can certainly maintain its relations of friendship and cooperation with them. "I am quite optimistic about this," he said.

Explaining what has happened in China recently, the minister stressed the need for China to maintain stability. "Unrest goes against the will of the entire Chinese people," he said.

The rebellion aimed to overthrow the socialist system and the government, and this brooked no tolerance and effective measures had to be taken to stop it, he said.

Further on Zheng Tuobin Delegation in India

Trade Document Signed

OW2009133489 Beijing XINHUA in English
1309 GMT 20 Sep 89

[Text] New Delhi, September 20 (XINHUA)—India and China today agreed to make joint efforts to expand bilateral trade and economic and technological cooperation.

The agreed minutes of the first session of the India-China Joint Group on Economic Relations and Trade, Science and Technology were signed here by Indian Minister of Commerce Dinesh Singh and Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin at the end of the three-day session.

Although the bilateral trade has witnessed an upward trend in recent years, the total volume of trade in 1988 was estimated at only 246 million U.S. dollars.

"Both sides held that there is scope for further expansion of bilateral trade and discussed ways to further such development and identified new items to be exchanged," the minutes said.

The Indian side agreed to increase its import from China and hoped that China will supply more raw silk and silk yarn.

The Chinese side expressed its willingness to continue to increase its import of traditional items like iron ore and chrome ore from India and to try to increase its import of medium and short fiber cotton, rice and wheat from India.

Both sides agreed to exert themselves to expand direct trade and to reduce indirect trade. The trade protocol for September 20, 1989 to September 19, 1990 was signed as an annex of the minutes.

The minutes said that both India and China are interested in developing active bilateral economic cooperation on the basis of equality and mutual benefit.

The two sides agreed to explore the possibilities of setting up joint ventures in India and China, joint participation in contracting third country projects, and mutual investment in each other's country.

During the session, the two sides also exchanged views on how to coordinate their respective positions in the new rounds of multilateral trade talks to safeguard and promote the justified interests of the developing countries.

Both sides noted with satisfaction that the sub-groups on cooperation in science and technology held a meeting in March 1989 and agreed upon a program of cooperation for the years 1989-91.

Zheng Meets Gandhi

OW2009192489 Beijing XINHUA in English
1840 GMT 20 Sep 89

[Text] New Delhi, September 20 (XINHUA)—Indian Prime Minister Rajiv Gandhi today stressed that there are a lot of areas in which India and China "can and must cooperate."

The prime minister made the remarks this evening while receiving Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin, who is here on an eight-day visit and attended the just concluded first meeting of the China-India Joint Group on Economic Relations and Trade, Science and Technology.

"India is one of the few countries in the world which understands the measures taken by the government of China (to deal with the incidents in Beijing) because India also has the experience of foreign interference in its internal affairs," Gandhi said.

He said he feels strongly that "the attitude which the Chinese revolution and the Indian freedom movement fought against still exists now. That is the domination of other countries. After many phases, in nowadays it becomes economic domination."

"Although a few developing countries might have favourable balance in the trade with developed countries. This is at the cost of exploitation of raw materials. But the cost of raw materials compare unfavourably to the developing countries with finished products and technology. It is in this area India and China could play a role," Gandhi said.

The two countries, he said, should intensify their efforts in high levels in exchanging their views on international economic issues.

The prime minister said the first meeting of China-India Joint Group opened a new chapter in development of bilateral economic relations.

Chinese Ambassador Tuo Guowei and Indian Ambassador to China C.V. Ranganathan were also present at the meeting.

Further on Bangladesh First Lady's Visit

Meets Beijing Mayor

*OW2009135489 Beijing XINHUA in English
1242 GMT 20 Sep 89*

[Text] Beijing, September 20 (XINHUA)—Chen Xitong, mayor of Beijing, today met and feted Begum Raushan Ershad, wife of president of Bangladesh.

Raushan Ershad and her party visited the Beijing Tri-Dewdrop Factory this morning.

Meets Li Peng's Wife

*OW2009175689 Beijing XINHUA in English
1543 GMT 20 Sep 89*

[Text] Beijing, September 20 (XINHUA)—Bangladesh president's wife Begum Raushan Ershad and Chinese Premier Li Peng's wife Zhu Lin cut the ribbon here today for the completion of the new buildings of the China-Bangladesh Friendship Primary School (Beijing First Experiment School).

Deng Yingchao, wife of the late Premier Zhao Enlai, who used to be teacher of the school 70 years ago, wrote to the ceremony for congratulation.

She said in the letter that the founding of the school symbolizes the close friendship between the people of the two countries.

Two years ago, the Bangladesh Government donated one million U.S. dollars to the building of the new school-houses. One year later in July, 1987, the Bangladesh President Ershad and his wife attended the foundation stone laying ceremony.

This afternoon, hundreds of pupils welcomed the Bangladesh guests with drums and gongs and bunches of flowers in the drizzle.

Chen Xitong, mayor of Beijing, said at the ceremony that the school will make fresh contributions to the development of the friendship between the people of China and Bangladesh, especially between the children of the two countries.

Raushan said the friendship of the two countries has stood tests by time. The graduates from the school in the future will surely promote this friendship, she added.

Raushan presented an exquisite silver plate to the school while the schoolmaster Tian Yutan presented in return a photo album and a piece of Chinese painting which symbolizes "happiness and friendship".

After the ceremony, Raushan and Zhu Lin planted a pine tree in front of the main building. While they were showed around in the school, Raushan and her little son were talking and shaking hands with pupils.

Meets Li Peng

*OW2009151689 Beijing XINHUA in English
1453 GMT 20 Sep 89*

[Text] Beijing, September 20 (XINHUA)—Premier Li Peng and his wife Zhu Lin met Begum Raushan Ershad, wife of president of Bangladesh, here this evening.

On behalf of the Chinese Government and people, the premier expressed a warm welcome for Raushan Ershad's visit to China and her attending the ribbon-cutting ceremony for the new building of China-Bangladesh Friendship Primary School. He also expressed thanks to Bangladesh for its help to the school.

As friendly neighbors, he said, China and Bangladesh have traditional friendly relations and cooperation.

Li said he is looking forward his visit to Bangladesh late this year. He asked Raushan Ershad to convey regards of Chinese leaders to President Ershad.

While expressing President Ershad's regards to Chinese leaders, Rausha Ershad said she is grateful to Premier Li for meeting her and to the warm hospitality showed by the Chinese Government and people during her stay in China.

She said both President Ershad and herself are expecting Premier Li to visit Bangladesh.

After the meeting, Li Peng gave a dinner in honor of the Bangladesh guests.

Meets Yang Shankun

*OW2109125489 Beijing Domestic Service in Mandarin
1030 GMT 21 Sep 89*

[From the "National Hookup" program]

[Text] President Yang Shangkun met with Raushan Ershad, the wife of the Bangladesh president, and her entourage at the Great Hall of the People this afternoon.

Yang Shangkun said: President and Mrs Ershad are old friends of the Chinese people. Relations between the two friendly neighboring countries are excellent.

He said: Bangladesh has expressed understanding of why China quelled the riots. We view such understanding as an expression of a valuable friendship.

Yang Shangkun pointed out: China will not change its goal of building a socialist state. We have summarized experiences in various fields and have endeavored to rectify our weaknesses and errors in our work by educating all Chinese people in a patriotic and hardworking spirit.

He said: At the same time, we have told all of the Chinese people that much remains to be done to realize the goal of construction.

Yang Shangkun said: We will conduct as much friendly cooperation as possible with foreign countries on the basis of equality and mutual benefit. However, any country wishing to use cooperation to impose pressure and sanctions on China will not succeed.

Mrs Ershad said that this is her fifth visit to China and that she and her friends have been deeply impressed by China's development and successes.

She said: Bangladesh and China will remain friends forever. We look forward to Premier and Mrs Li Peng's visit to Bangladesh later this year.

During the meeting, Mrs Ershad conveyed President Ershad's cordial greetings to President Yang Shangkun. The latter asked Mrs Ershad to extend his greetings and best wishes to President Ershad after she returns.

At noon, Lin Jiamei, the wife of Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference, met and feted Mrs Ershad and her entourage.

Deng Pufang, chairman of the China Welfare Fund for the Handicapped, met with Mrs Ershad and her entourage in the morning. He briefed the guests about the life, treatment, and work of the handicapped in China. Mrs Ershad also visited the Beijing Rehabilitation Center for the Handicapped.

Meets Li Xiannian's Wife

*OW2109103089 Beijing XINHUA in English
0915 GMT 21 Sep 89*

[Text] Beijing, September 21 (XINHUA)—Lin Jiamei, wife of Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference and former Chinese president, hosted a luncheon here today for Begum Raushan Ershad, wife of visiting Bangladesh president.

Li Xiannian Meets Iranian Islamic Delegation

*OW2109084889 Beijing XINHUA in English
0822 GMT 21 Sep 89*

[Text] Beijing, September 21 (XINHUA)—China is determined to battle any attempt at subversion, even though it recognizes that it will be a long fight, senior Chinese leader Li Xiannian said here today.

Li, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), made the remark during a meeting with an Iranian Islamic delegation led by Ayatollah Jannati, president of the Islamic Propagation Organization of Iran and member of the Constitutional Supervision Council.

He also noted that China's independent foreign policy of peace has withstood the test of time in the past four decades.

China is willing to develop relations with all nations, including Western countries, on the basis of the Five Principles of Peaceful Coexistence, Li reiterated. However, he added, the country will neither yield to any external pressure nor allow any foreign interference in its internal affairs.

Li, speaking of some Western countries' economic sanctions against China, said they might produce two results: first, those imposing the sanctions will eventually "eat their own bitter fruits by losing China as a huge market;" second, the sanctions only serve to force us to follow more firmly the policy of building China through self-reliance, hard work and thrift, which he described as "a good thing."

"Therefore, we are not afraid of sanctions," said Li.

Some people in the West support those they call "China's fighters for democracy and put their stakes on them," Li noted. "But I think they have misplaced their bets," he said.

He noted that China's struggle against subversion or attempts to hasten the "peaceful evolution" of socialism into capitalism will be a long-term one.

During the meeting, Li and Jannati expressed satisfaction with the development of relations between China and Iran in recent years. Jannati said he expected more cultural exchanges, particularly more contacts between religious circles, between the two countries.

The visitors represent Iran's first official religious delegation to visit China upon invitation.

Wu Xueqian Meets Iraqi Foreign Affairs Official

*OW2009145689 Beijing XINHUA in English
1432 GMT 20 Sep 89*

[Text] Beijing, September 20 (XINHUA)—Chinese Vice-Premier Wu Xueqian said here today that China values cooperation with Third World countries while

continuing trade and economic contacts with developed countries on the basis of equality and mutual benefits.

Meeting with Wesam al-Zahawi, [name as received] Iraqi under-secretary of foreign affairs, Wu said that China's policy of all-round opening to the outside world remains unchanged.

China will further develop its friendly relations and cooperation with Iraq and other Arab countries, Wu added.

After Wu's briefing on China's domestic situation, Al-Zahawi said that Iraq is gratified at restoration of social order in China after the quelling of anti-government riots.

He said that Iraq is always opposed to interference into other countries's internal affairs by using the human right issue.

Iraq is also against any attempt of international organizations to list issues that are purely China's internal affairs in their agendas, he said.

During the meeting, Al-Zahawi briefed his host on the development of Iraq-Iran peaceful talks.

Wu said China wants to see further reconciliation and permanent peace between the Iraq and Iran.

Al-Zahawi arrived here Tuesday.

Sub-Saharan Africa

Development Exhibition Opens in Addis Ababa

OW2109052489 Beijing XINHUA in English
1845 GMT 20 Sep 89

[By Chen Jinjun]

[Text] Addis Ababa, September 20 (XINHUA)—An exhibition reflecting different aspects of development in China opened here this afternoon to mark the 40th anniversary of the founding of the People's Republic of China.

Opening the exhibition, Chinese Ambassador to Ethiopia Gu Jiaji expressed the belief that the show will enable visitors to have a better knowledge and understanding about China.

After enumerating the achievements made in various fields in the past 40 years, he said that the Chinese people are full of confidence in pushing forward the cause of socialist construction.

He pledged that China will continue pursuing the reform and independence foreign policy.

Ethiopian Minister of Culture and Sports Affairs Yilma Girma said on the occasion that China has attained a high level of social, economic and political development

and her experience in the process of cultural development is of immense interest to Ethiopia.

The exhibition, which demonstrates the master craftsmanship and creativity of the Chinese people, serves as an additional impulse to the development of the relations between Ethiopia and China.

The exhibition is the largest ever held in Ethiopia and the exhibits include photos, charts, and arts and crafts. It is scheduled to run for a week.

East Europe

Romania Supports Suppressing Counterrevolution

OW2109061889 Beijing XINHUA in English
0234 GMT 21 Sep 89

[Text] Bucharest, September 20 (XINHUA)—Romanian President Nicolae Ceausescu today said the governments and parties from socialist countries should take measures to suppress counter-revolutionary rebellions to pave way for their development.

During his meeting with Chinese State Councillor Zou Jiahua, Ceausescu said his country supports the Chinese Government and party to take measures to oppose the counter-revolutionary forces.

The Romanian president said Romania is willing to expand exchanges in political and economic fields with China.

He noted that the relations between the two parties and countries have developed well and such relations have stood a severe test, Ceausescu said.

Zou, also chairman of the Sino-Romanian Economic and Technological Cooperation Committee, introduced the situation in China after the June event. On behalf of the Chinese Government, he thanked the Romanian party and government for understanding and support of China's action to quell the counter-revolutionary rebellion in Beijing.

Zou arrived here on September 14 to attend the 10th meeting of the committee.

'New China' Photo Exhibit Opens in East Berlin

OW2109093489 Beijing XINHUA in English
0635 GMT 21 Sep 89

[Text] Berlin, September 20 (XINHUA)—A photo exhibition entitled "China Today" opened here today in the Television Tower Exhibition Center to celebrate the 40th anniversary of the founding of the People's Republic of China.

The 150 color photos exhibited reflect New China in different fields ranging from the achievements of its 40 years' of socialist building to local conditions and customs.

The exhibition, sponsored by the official XINHUA NEWS AGENCY of China, is one of the two exhibitions that XINHUA and the German Democratic Republic's (GDR) official news agency ADN plan to hold in each other's capital to celebrate the two countries' 40th anniversaries.

The Chinese exhibition will last till October 2, one day after China's National Day. The ADN-sponsored exhibition, entitled "The 40 Years' Achievements of the GDR" will start early next month. The GDR's national day falls on October 7.

Political & Social

Deng Said To Announce Retirement 22 Sep

OW2109035089 Tokyo KYODO in English
0258 GMT 21 Sep 89

[Text] Paris, Sept. 20 KYODO—Escaped Chinese dissident Yan Jiaqi, here for the official creation of a pro-democracy organization, said Wednesday that senior leader Deng Xiaoping will announce his retirement on Friday [22 September].

Deng's only official post in the Chinese Communist Party is chairman of the Central Military Commission but he is widely believed to wield overall power.

Yan, former head of political science at the Chinese Academy of Social Sciences before fleeing after the June 4 Tiananmen Square suppression, said he had received word that Deng would recommend Communist Party General Secretary Jiang Zemin as his replacement.

Jiang was recently named to the top party post.

Some 150 dissidents in exile in the U.S., Europe, Hong Kong and other countries will meet Friday to officially inaugurate the Federation for Democracy in China to coordinate international opposition to Beijing. The organization, based in Paris, has existed on an informal basis.

Further on Retirement Rumor

AU2009183389 Paris AFP in English 1754 GMT
20 Sep 89

[Text] Paris, Sept 20 (AFP)—Five leaders of China's pro-democracy movement who escaped in secret following the bloody crackdown in Tiananmen Square announced plans here Wednesday to form an umbrella dissident group to promote democratic government in China.

"The massacre of June 4 in Beijing was not only a tragedy for China but for humankind," said Chen Wizi, a former top aide to ousted Chinese Communist Party leader Zhao Ziyang.

Speaking at a news conference, Mr. Chen said the formation of the dissident alliance, to be known as the Front for Democratic China [FDC], was "paramount for the Chinese people".

The FDC, which will be inaugurated at a two-day congress of around 150 Chinese dissident exiles here this weekend, would strive "to ensure that the daughters and sons of the Chinese people will live in a system of democracy," Mr. Chen said.

The group said in a statement that it was the first Chinese dissident organisation "involving peers of the government of China".

The dissidents attending the press conference were introduced as five of the seven men most wanted by the Beijing government following the massacre in June.

During the press conference, the group said without citing sources that the Politburo of the Chinese Communist Party would announce the retirement of paramount leader Deng Xiaoping at a press conference in Beijing on Friday [22 September], timed to coincide with the FDC's inauguration.

Among the dissidents attending the press conference was journalist and film producer Su Xiaokang, who arrived in Paris Thursday.

"The Tiananmen Square massacre has completely transformed the destiny of people like me and the destiny of China," Mr. Su said.

The weekend congress comes amid a diplomatic row between France and China over the alleged mistreatment of Chinese officials travelling through Paris on the way to Africa and two days after Mr. Deng made his first public appearance in more than three months in Beijing.

Li Peng Inspects Three Northeast Provinces

OW2109101089 Beijing XINHUA Domestic Service
in Chinese 1500 GMT 20 Sep 89

[By reporter Chen Naijin (7115 0035 6651): "Local Broadcast News Service"]

[Text] Beijing, 20 Sep (XINHUA)—Li Peng, member of the Standing Committee of the CPC Central Committee Political Bureau and premier of the State Council, recently pointed out while making an investigation and study in three northeastern provinces and the Inner Mongolia Autonomous Region: The concept of taking agriculture as the foundation of the national economy must not be shaken and we must unswervingly do a good job in grain production. We should support and guide village and town enterprises. We must run large- and medium-size enterprises well since they constitute the backbone of the national economy. The enterprise contract system, as an outcome of reform, should be further implemented, but it also should be continuously improved. Opening to the Soviet Union and Eastern Europe is a part of our country's policy of opening to the outside world.

Premier Li Peng investigated and studied agriculture, large and medium-size state enterprises, border trade, and other things in some areas of Heilongjiang, Inner Mongolia, Jilin, and Liaoning from 10 to 19 September.

This year northeast China was hit by a serious summer drought, which had not been seen in many years. Premier Li Peng was very much concerned about agricultural production. He inspected the growth of major autumn crops, such as corn, soybeans, and rice, in Shuangcheng City's Chaoyang Township, Heilongjiang Province; Chaoyang District's Chengxi Township,

Changchun City; and Dongling District's Baitabao Township and Sujiatun District's Shilihe Town, Shenyang City. He asked Agriculture Minister He Kang, who accompanied him on the tour, to further investigate the consequences of the drought in rural areas. He called for strengthening the later-stage field management of major autumn crops, doing a good job in the autumn harvest by bringing in every grain, and making every possible effort to reduce losses from the summer drought. Peasants should be organized to carry out sideline production and to provide for and help themselves by engaging in production. The morale of the masses should be enhanced.

Premier Li Peng said: China has a population of 1.1 billion and agriculture is always a major issue for the nation. The concept of taking agriculture as the foundation of the national economy must not be shaken and we must unswervingly do a good job in grain production. Crop output in our country has not reached the top. There is still great potential to increase agricultural production so long as we fully arouse the initiative of peasants and practice scientific farming. From now on, governments at both the central and local levels should make ever more vigorous efforts to grasp agriculture, increase agricultural input, and support agricultural development. It is necessary to fully mobilize the masses and to concentrate manpower and material resources to carry out farmland capital construction in the coming winter and spring in order to further improve the conditions for agricultural production. We should appropriately develop large-scale farming, build a agricultural service network, and develop various forms of rural collective economy on the basis of consolidating the output-related system of household contracted responsibility.

On village and town enterprises, Li Peng said: Village and town enterprises are still to be developed, but their development should be based on rural resources; they should not scramble for raw materials and energy with large enterprises in order to use the country's natural resources more rationally.

Premier Li Peng inspected the Dongbei Light Alloy Processing Plant, the Harbin Aircraft Manufacturing Corporation, the Hualin Rubber Plant, the Mudanjiang No 2 Power Plant, the Liaoyang Petrochemical Fiber Company, and other large and medium-size enterprises. He had an informal discussion with the directors, managers, and party committee secretaries of 30 large and medium-size enterprises, including those of the Anshan Iron and Steel Company, in order to acquaint himself with the situation in their production, operations, and management, as well as the life of their workers and staff members. He solicited opinions from all of them on the contracting out of enterprises. Li Peng said: The state should create a more favorable environment for large and medium-size enterprises and such enterprises should also strengthen their management, step up their technical transformation, make structural readjustments, and strive to improve product quality, reduce their

consumption, especially their consumption of raw and semifinished materials, in order to contribute more to the state.

Li Peng said: Achievements are primary since the institution of the contracted responsibility system. The contract system has played a positive role in promoting the development of production, ensuring state revenues, reinvigorating and transforming enterprises, and improving the life of workers and staff members. The contract responsibility system expired in some localities and it will soon expire in others. Now we are faced with the question of what to do. Our principle is to maintain policy stability. The contracted responsibility system, which has not yet expired, should not be changed; before adopting some new methods, the contracted system, which has expired, may be extended. Particularly in the period of improving the economic environment and rectifying economic order, enterprises are experiencing a considerable change in their exterior conditions as well as considerable difficulties. Continuing implementation of the contract system is conducive to arousing the enthusiasm and initiative of enterprise leaders, workers, and staff members. Then, they will turn pressure on them into a motive power and try in every possible way to surmount difficulties so as to maintain a steady development of production.

Li Peng said: There are also shortcomings in the contract system. They exist mainly in the handling of the interests among the state, enterprises, staff members, workers, and individuals and in the relationship between long-term interest and immediate interest. This is not to say that the contract system will certainly give rise to defects, but it can be said that they were initiated by this system. Some examples of such defects are the short-term activities of enterprises and unequal distribution. Leaders at all levels and enterprise leaders will be able to make this system play a still greater role so long as they follow correct guiding principles and measures as well as uphold the good and discard the bad.

Premier Li Peng also inspected border cities such as Manzhouli and Suifenhe. Talking about border trade, he said: China is pursuing a policy of opening to all countries of the world. Opening to the Soviet Union and Eastern Europe is a component part of China's open policy. The economic characteristics of China and the Soviet Union are different and their resources are also different. Characteristic elements of economic relations between the two countries are to supplement each other's shortcomings and exchange products. There are great prospects for economic and technological cooperation between China and the Soviet Union. The normalization of relations between the two countries has created conditions for advancing Sino-Soviet economic cooperation and exploiting the advantages in each country. The development of Sino-Soviet economic cooperation is based on equality and mutual benefit. We must strengthen the administration of border trade and

improve the conditions of transportation, communications, and the tourist industry to meet the needs of opening to the outside world.

Wherever he went, Premier Li Peng was most interested in the three figures: peasants' per capita income, staff members' and workers' per capita income, and the rising price index. He said that these three figures have a direct bearing on the people's standard of living. Prices in Heilongjiang have remained stable and those of some commodities have dropped since the province put the "383 project" for bringing prices under control in effect. The masses of people are quite satisfied with these results. Li Peng said that efforts must be continued to do this work well. During the earlier period we concentrated on the production of ordinary and seasonal vegetables. Sufficient amounts of seasonal vegetables will keep the prices in the markets down. Li Peng said that there should be a breakthrough in pig breeding in the northeast region. It is inefficient and wasteful to ship feed from the northeast region to areas south of the Shanhaiguan and to ship pigs thousands of miles back to the northeast. The masses have gained experience in breeding pigs in a cold environment. We must strive to spread this experience in order to gradually make the northeast region self-sufficient in meat, poultry, and eggs.

Premier Li Peng said: General demand has surpassed general supply in the past few years. This has resulted in unbalanced economic development. During the period of improving the economic environment and rectifying economic order, we must be prepared for austerity measures, which may last for a few years. We must mobilize the masses and adopt practical measures to overcome the difficulties confronting us now. Our current difficulties are very little when compared with those of the 1960's. Li Peng called on comrades in the three provinces and one autonomous region to carry forward the spirit of self-reliance and hard work.

Li Peng said: It will be impossible to again achieve a high growth rate like that of the past few years. The development of the processing industries serving capital construction will slow down and consumption funds will also decline as a result of scaling down capital construction. This is a painful process, but it is also a good opportunity for us to carry out structural readjustment, strengthen enterprise management and technical transformation, improve the quality of products, and thereby raise enterprises' economic efficiency.

During his inspection tour, Premier Li Peng listened to reports by responsible leaders of the three provinces and one autonomous region. Li Peng made several speeches concerning current work.

Premier Li Peng returned to Beijing on 19 September after completing his inspection tour. Those who accompanied him on the tour included He Kang, minister of agriculture; Ye Qing, vice minister of the State Planning Commission; Ma Hong, head of the Economic, Technological, and Social Development Research Center under

the State Council; and Li Lanqing, vice minister of foreign economic relations and trade.

Sponsors Shenyang Forum

SK2109043789 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 20 Sep 89

[Text] On 19 September, Premier Li Peng sponsored a forum in the city of Shenyang with responsible persons from a number of enterprises across the provinces, during which he delivered a speech in which he pointed out that efforts should be made to continuously implement the enterprise responsibility system, to continuously summarize the experience gained in the system, and to steadily improve the system.

Attending yesterday's forum were the responsible persons of enterprises, including (Li Huazhong), (Ma Zhong), (Wang Zhongyu), (Yuan Yihong), (Wei Zhaoen), (Sun Daiqi), (Zhao Xiyu), (Fu Shoufa), (Huang Zhongtao), (Wu Tingbao), (Li Changhua), (Zhang Keshu), (Wu Liang), (Wu Chengchang), (Liu Zikun), (Liu Dexiang), and (Ji Youhan)

During the forum, the responsible persons, including (Li Huazhong), general manager of the Anshan Steel and Iron Company, delivered reports on their experience gained in enforcing the responsibility system, the changes caused by the enforcement of responsibility system, and problems encountered by them.

During the forum, Premier Li Peng inquired in a very serious manner about the incomes earned after enforcing the responsibility system.

The forum lasted for more than 6 hours, in which the participants voiced their opinions without restriction.

In his concluding speech, Premier Li Peng pointed out that in enforcing the responsibility system, enterprises should improve the position between plant director and party committee and that between plant director and workers, should not excessively stress the role of entrepreneurs and neglect the position and role of the broad masses of staff members and workers, and should regard workers as the main body of enterprises. In enforcing the responsibility system, enterprises should enhance their management and technical renovations, pay attention to increasing economic results, and refrain from replacing management with enforcing the responsibility system and even from spending or distributing all profits. He urged enterprises to make concerted efforts to overcome the difficulties and to make the country stronger and more prosperous.

Also attending the forum were Quan Shuren, secretary of the provincial party committee; Li Changchun, governor of the province; and principal leading comrades of the Shenyang city level organs.

Jiang Zemin Addresses Minority Welfare Meeting*OW2009143889 Beijing Domestic Service in Mandarin
1200 GMT 20 Sep 89*

[From the "National Hookup" program]

[Text] Jiang Zemin, general secretary of the CPC Central Committee, addressed a national work conference on assisting the poor in minority nationality regions this morning. He said: A spirit of self-reliance and hard work must be displayed to ensure a good job in assisting the poor in minority nationality regions. Such a spirit is of great importance for strengthening unity among all nationalities, safeguarding the motherland's unity, and building socialism with Chinese characteristics.

In his speech, Jiang Zemin first extended, on behalf of the party Central Committee and the State Council, warm congratulations on the convocation of the conference, as well as cordial greetings to the vast numbers of cadres, people, officers and men of the People's Liberation Army, and well-known personages from various sectors of society, who have persisted in working in poverty-stricken minority nationality regions and to the National Front for aiding the poor for a long time.

Jiang Zemin and Comrades Qiao Shi, Tian Jiyun, Xi Zhongxun, Chen Junsheng, and Ismail Amat, attended a discussion meeting with representatives to the conference at (Xingqi) Guesthouse this morning. The conferees studied the measures to help the people in poor minority nationality regions find enough to eat and wear and to become well off.

During the discussion, (Yang Yongze), deputy head of the State Council's Leading Group for the Economic Development of Poor Areas, and Zhao Yannian, vice minister in charge of the State Nationalities Affairs Commission, briefed the participants on the progress achieved thus far in assisting the poor in China, as well as the ways and means by which poor minority nationality regions could develop their economies.

After listening to the briefings, Jiang Zemin fully affirmed the achievements scored in recent years in the work of aiding the poor through the implementation of the policy of helping poor areas develop their economies instead of simply providing them with relief. He said: In order to wipe out poverty, become prosperous, and solve the problem of finding sufficient enough to eat and wear as quickly as possible, minority nationality regions should rely above all on their own strength and utilize local resources in developing their economies.

Jiang Zemin said: It is the responsibility of the state, coastal regions, economically developed areas, and various sectors of society to assist the poor areas in developing their economies. They should give the poor areas the necessary support in terms of specialized personnel, science and technology, finance and loans, and material supplies so as to promote a common prosperity of all nationalities.

Jiang Zemin said: China is a big family of many nationalities. In order to strengthen unity among all nationalities and to handle properly those problems related to nationalities affairs, it is necessary to accelerate construction of the legal system and to perfect in a continuous way the system of autonomy for regions inhabited by minority nationalities. The law of autonomy for minority nationality regions, which is a scientific summation of the autonomous system in China, should be enforced earnestly.

He said: It will be impossible to develop the economy and to wipe out poverty and attain prosperity in the absence of a stable and unified environment and situation.

He pointed out emphatically: The series of major principles and policies for handling problems related to nationalities affairs, which have been formulated by the party since the 3d Plenary Session of its 11th Central Committee, should be implemented without fail.

Beijing TV Report*OW2009184389 Beijing Television Service
in Mandarin 1100 GMT 20 Sep 89*

[From the "National News Hookup" program]

[Text] [Video shows closeups of Jiang Zemin speaking, and of Qiao Shi and Tian Jiyun at the meeting] Several leaders attended a national work conference on assisting the poor in minority nationality regions this morning [20 September]. They were Jiang Zemin, general secretary of the CPC Central Committee; Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee; and Comrades Tian Jiyun, Xi Zhongxun, Chen Junsheng, and Ismail Amat.

Jiang Zemin pointed out in his speech at the meeting: To display a spirit of self-reliance and hard work in doing a good job of assisting the poor in minority nationality regions is of great significance to strengthening unity among all nationalities, safeguarding the motherland's unification, and building socialism with Chinese characteristics.

On behalf of the party Central Committee and the State Council, he extended his congratulations on the convocation of the conference, and his cordial regards to the vast number of cadres, people, officers, and men of the People's Liberation Army [PLA], and well-known personages from various circles, who have persistently worked for a long time in minority nationality regions and in the forefront of aiding the poor in the country. Jiang Zemin fully affirmed the achievements scored in recent years in the work of aiding the poor through implementing the policy of helping poor areas develop economies instead of simply providing them with relief.

He pointed out: Most of the poor areas are located in border regions and minority nationality regions. Moreover, many of them are old revolutionary base areas. To wipe out poverty, become prosperous, and meet the people's basic needs in food and clothing as soon as

possible, minority nationality regions should first display a spirit of self-reliance and hard work and rely on their own strength and utilize local resources in developing their economies.

Jiang Zemin said emphatically: To help the poor areas develop their economies is a responsibility shared by the state, coastal region, economically developed areas, and all sectors of society. They should give necessary support to the poor areas in terms of specialized personnel, science and technology, finance, banking and material supply to promote common prosperity of all nationalities. Minority nationalities should earnestly raise their cultural level and strive to develop production.

Jiang Zemin said: We should resolutely maintain a unification of the motherland and a great unity among all nationalities, and take a clear-cut stand in opposing splits and turmoil. Facts in the 40 years since the founding of the People's Republic of China have proved that we have blazed a trail of our own in nationalities affairs. The 3d Plenary Session of the 11th CPC Central Committee has ushered in a new period of reform, opening to the outside world, and socialist modernization in China, as well as a new period of nationalities affairs. In the last 10 years, the party and the government have formulated a series of important principles and policies concerning handling problems related to nationalities affairs. We must resolutely and firmly implement them.

Jiang Zemin said: To properly handle problems related to nationalities affairs, it is necessary to improve the legal system and keep improving the system of autonomy for minority nationality regions. The law of autonomy for minority nationality regions, which is a scientific summation of the autonomous system in China, should be enforced earnestly.

He said: It will be impossible to develop the economy, and to wipe out poverty and attain prosperity in the absence of an environment and situation of stability and unity.

Liu Ruihuan Visits Guangdong

Inspects, Praises Shenzhen

HK1409081389 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 14 Sep 89

[Text] When paying an inspection visit to Shenzhen on 13 September, Comrade Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee and also member of the CPC Central Committee Secretariat, pointed out: There are broad prospects for the development of Shenzhen and it is hoped that citizens of the city will make continuous efforts to develop the reform and opening up program at a faster pace and in a more steady and better way while upholding the Four Cardinal Principles so as to fully display the superiority of the socialist system.

When listening to a briefing given by city leaders Li Hao and (Qian Wenqing), Comrade Li Ruihuan fully affirmed the contributions Shenzhen had made to the state. He also said: After 10 years of effort, dramatic changes have taken place in Shenzhen. The city has taken on an entirely new look, the quality of its citizens has been greatly improved, and the mental attitude of cadres and the masses is good. There are broad prospects for the development of Shenzhen, which is of great significance for the reform and opening up program of our country and the building of socialism with Chinese characteristics. Facts have proved that our policy of designating special economic zones is correct and successful.

Chairs Antipornography Forum

OW1409040589 Beijing XINHUA Domestic Service in Chinese 1401 GMT 13 Sep 89

[By reporter Tian Bingxin; from the "Local Broadcast News Service"]

[Text] Guangzhou, 13 Sep (XINHUA)—Addressing an antipornography forum for four coastal provinces in south China, Li Ruihuan, member of the Standing Committee of the Political Bureau and of the Secretariat of the CPC Central Committee stressed: The antipornography drive is developing on a nationwide scale, and we must use the momentum to strengthen leadership and step up and deepen the drive.

The forum was held in Guangzhou on 10 and 11 September. Responsible persons of Guangdong, Fujian, Zhejiang, and Hainan Provinces attended the forum.

Li Ruihuan pointed out: The antipornography drive is an important step toward the implementation of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. It is of great significance in the fight against bourgeois liberalization, the building of socialist spiritual civilization, and the sound development of reform and opening. We must carry this drive through to the end. We must achieve practical results and not stop halfway.

Li Ruihuan said: In many of our endeavors, our mistakes lie in our failure to do our job in a down-to-earth manner. The key to the success of our current antipornography drive is to overcome the superficial workstyle among some of our leading cadres and to strengthen guidance in specific matters. Leading comrades concerned must go deep to the forefront of the antipornography drive, conduct serious investigation, and take prompt steps to resolve sequentially, problems encountered. We must take further steps to mobilize the masses in taking a personal interest in, and supporting, the drive. We must cooperate with the professional forces to form a strong public attitude which believes it is glorious to fight pornography, shameful to indulge in it, and criminal to sell it. We must cooperate with them to create a situation in which pornography is condemned by everyone as soon as it appears. Departments of propaganda, culture, publication, industry, commerce,

taxation, public security, customs, border defense, and education, as well as mass organizations must work with one heart, proceed from the interest of the overall situation, and actively and voluntarily take up the tasks. Party committees and governments at all levels must exercise unified leadership and do a good job of organization and coordination.

Li Ruihuan said: At present, the focus of the antipornography drive is to concentrate efforts on eliminating the sources of pornography. A number of cities and towns in the coastal region serve as "black bases" of pornography, smuggling in and producing large quantities of obscene videotapes, books, and periodicals and shipping them to the interior for sale. This has caused harm to the whole country. We must be resolved to eliminate these "black bases." Some publishing and printing houses and book-sellers, both in the coastal and interior regions, print and publish disgustingly obscene and vulgar publications and pornographic videotapes, and sell them through a well-organized underground marketing network. We must take steps to thoroughly rectify this situation. We must confiscate and seal up the bad books, close down the publishing and printing houses, and punish the culprits.

RENMIN RIBAO Refutes Yan Jiaqi's Views

OW2109110989 Beijing XINHUA in English
1047 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—The "PEOPLE'S DAILY" carried a lengthy article today refuting the distortion of China's political system as an "autocratic monarchy", which is aimed at providing a theoretical foundation for subverting the People's Republic.

The article said that Yan Jiaqi, who was involved in the riots earlier this year and fled abroad, has since 1980 repeatedly expressed his view that "China is not a republic". Last July, he openly claimed abroad that China was not a people's republic but "an empire" with "an autocratic system".

Against a social background in which the people detest monarchy and support republic, the distortion of the political system of the People's Republic of China as a "monarchy" is no different from setting it up as a target of revolution, the article said.

Thus, Yan has built a "theoretical foundation" for the subversion of the People's Republic as well as for the social turmoil and anti-government rioting in the April-June period.

The article said that Yan's arguments are groundless.

Yan said the armed struggle led by the Chinese Communist Party was in nature a peasant revolution and peasant war, which could only lead to the establishment of a new feudal autocracy, as China's history has often shown.

In fact, the article said, if the armed struggle led by the Chinese Communist Party were considered a peasant war from a certain aspect it would never lead to the

establishment of a feudal autocracy because the war was staged in a completely new historical environment featured by large-scale socialized production and expanding capitalist relations of production and commodity exchange.

Then the feudal relations and ideology would not be in a dominant position nationwide, leaving no possibility for the emergence of a new feudal autocracy, the article said, adding that under the leadership of the Communist Party, the peasant war became completely an anti-feudal and new-democratic revolutionary war.

The socialist revolution in China has paved the way for the development of large-scale socialized production and a commodity economy, and eliminated the possibility of the emergence of feudal autocracy.

Yan also claimed that the highest state power in China is centralized in one person's hands and there is no separation of powers.

In fact, the article said, the highest state power is exercised by the National People's Congress, also the top legislative body, as well as by its Standing Committee.

By advocating separation of powers, Yan attempted to copy the political system in the United States with the division into the legislative, executive and judicial functions.

Refuting Yan's claim that a life-tenure system for top positions has been practised in China, the paper said that in China some party and government top officials are re-elected or re-appointed for consecutive terms, but there is no system of life-tenure.

In addition, to prevent citizens from holding top positions all his or her life, China's Constitution promulgated in 1982 stipulates clearly that heads of state and government shall serve no more than two consecutive terms.

According to Yan, the succession to the highest state power in China is not procedural but depends on the will of the top position holders and on the result of political struggle.

Actually, the procedures for election, transfer or succession to the highest state positions are prescribed in the constitution and the organizational law for state organs.

The article said that owing to historical reasons, the political system in China is not perfect, so it has to be restructured. In fact, under the leadership of the Chinese Communist Party, restructuring of the political system is being carried.

The restructuring, however, is a type of self-perfection of the People's Republic system and not a sort of fundamental reform of a so-called "autocratic monarchy," the article said.

While distorting China's political system, Yan advocated a political system featured by separation of powers,

pluralistic politics, constitutional guarantees of the rights of private property and the federal system.

In a word, Yan advocated a bourgeois political system for China, the article said.

The article also exposed Yan's instigating activities during the April-June turmoil and anti-government rioting and his words and deeds aimed at subverting the People's Republic of China after fleeing the country.

Editorial Marks CPPCC Founding

OW2109105289 Beijing XINHUA in English
1031 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—The "PEOPLE'S DAILY" today carried an editorial marking the 40th anniversary of the founding of the Chinese People's Political Consultative Conference (CPPCC).

The editorial, entitled "Strengthening the Role of the CPPCC", reviewed the history and achievements of the CPPCC over the past 40 years since its founding in 1949.

According to the paper, the CPPCC has become an extensive patriotic united front organization under the leadership of the Communist Party of China (CPC) and is participated in by various democratic parties, public figures without party affiliation, people's organizations, ethnic-minority notables and patriotic personages from all walks of life.

It has also become an important channel for China's political system to display socialist democracy and a vital organization form of multi-party co-operation headed by the CPC.

The editorial praised the CPPCC for playing a key historical role in establishing and consolidating the people's democratic dictatorship, undertaking socialist revolution and development, and upholding the country's unification, social stability and unity among all nationalities.

The editorial said that since 1979 the CPPCC has made new contributions to promoting the national reform and open policy, and socialist material, cultural and ideological progress, as well as the development of democracy and the legal system. It is playing a vital role for the cause of the peaceful unification of the motherland and expanding the friendly relations between the people of China and the rest of the world.

According to the paper, the CPPCC acquitted itself well during the recent anti-government rioting in Beijing, and all democratic parties and patriotic personages from all walks of life have shown their utter devotion to the Chinese Communist Party and shared weal and woe with it.

Facts have proved that the foundation of China's patriotic united front is solid and its future is bright.

The editorial noted that party leaders have time and again stressed the need to improve and develop the

CPPCC so as to unite all the people who can be united with to develop the country.

The editorial indicated that the key to consolidating and expanding the patriotic united front is to adhere to the leadership of the Communist Party, which has been formed over years of struggle.

China has eight non-communist parties as well as public figures without party affiliation and other people's organizations.

According to the paper, their relations with the Communist Party are not the relations between opposition parties and the ruling party but the relations of unity and co-operation for a common objective, consultation and mutual supervision.

The editorial said the CPPCC shoulders heavy responsibilities and is expected to better play its function of "political consultation and democratic supervision" to make greater contributions to pushing forward the process of China's socialist democracy and developing China into a modern, powerful socialist state.

Circular Censures Former Fujian Official

OW2009162489 Beijing XINHUA Domestic Service
in Chinese 1313 GMT 20 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 20 Sep (XINHUA)—The Discipline Inspection Commission of the CPC Central Committee on 19 September issued a circular on the problem of Zhang Wenliang, secretary of the Zhangzhou City CPC Committee who built a house in violation of party discipline. The circular is entitled: "Be Sure To Keep the Party's Fine Work Style of Hard Struggle."

The circular says: Zhang Wenliang, member of the Fujian Provincial CPC Committee and secretary of the Zhangzhou City CPC Committee, took advantage of his power and violated regulations to divert some 53,000 yuan of the office building repair funds to build a house for himself. Moreover, he refused to correct the mistake and continued building the house in serious violation of party discipline even after some comrades in the leading group of the city party committee asked him to stop the construction and the comrade in charge of housing told him about relevant regulations of the State Council. The Fujian Provincial CPC Discipline Inspection Committee seriously investigated Comrade Zhang Wenliang's problem. With the consent of the Central Discipline Inspection Commission and the approval of the CPC Central Committee, the Fujian Provincial CPC Committee has decided to remove Comrade Zhang Wenliang from the posts of member of the Fujian Provincial CPC Committee and secretary and standing committee member of the Zhangzhou City CPC Committee.

Police Driver Sentenced in Cyclists' Deaths*OW2009154789 Beijing XINHUA in English
1521 GMT 20 Sep 89*

[Text] Beijing, September 20 (XINHUA)—Chen Fuyu, a jeep driver and the cause of a traffic accident on the night of June 2, who was rumored at the time to be a vanguard of the martial law enforcement troops, was sentenced here today to seven years' imprisonment.

The people's court of the western district of Beijing municipality publicly tried the case today and concluded that Chen Fuyu was driving too fast and caused the traffic accident that resulted in three deaths and one serious injury, while violating traffic regulations.

Chen Fuyu was a driver of the Beijing Municipal Armed Police Force. He had worked temporarily for the production unit of the Central Television Station to help with a TV series for the celebration of the 40th anniversary of the People's Republic of China.

On the night of June 2, 1989, one day before the quelling of the counter-revolutionary riot in Beijing by the martial law enforcement troops, Chen Fuyu was driving eastbound on Chang'an Avenue to his unit's headquarters. At about 22:00 hours, he reached Muxudi in west Beijing. Due to excessive speed and the wet road, his jeep suddenly veered to the right, destroyed a bus stop sign and five lane divide's, crossed the lane for non-motor vehicles and turned over on the sidewalk.

In crossing the lane for non-motor vehicles, the jeep knocked down four bicycle riders, an official, a private businessman and a teacher. Three of the cyclists died on the spot or later from injuries received and one is still hospitalized.

Li Tieying Addresses National Junior Games*HK1409080589 Beijing RENMIN RIBAO in Chinese
7 Sep 89 p 2*

[XINHUA report: "Promoting the Development of Physical Culture for Youngsters—Li Tieying's Speech at the Opening Ceremony of the Second National Junior Games"]

[Text] Comrades and friends:

In the days when autumn winds bring crisp air and harvesting is soon to start, in the vast Songliao plain we are ushering in a magnificent sports meet in our country this year—the opening of Second National Junior Games. On behalf of the party Central Committee and the State Council, I extend warm congratulations to the national games, extend cordial greetings to 36 delegations from various provinces, autonomous regions, and municipalities, the People's Liberation Army, trade sports associations, and to all working personnel and referees who have worked diligently for the smooth

opening of the national games, and express warm welcome to people from all walks of life, Hong Kong and Macao compatriots, and overseas Chinese, as well as foreign friends!

Following the curbing of turmoil and the quelling of counterrevolutionary rebellion, normal political order and public order has been restored in our country. Under the leadership of the party and the government, the people of the whole country conscientiously study the spirit of the 4th Plenary Session of the 13th CPC Central Committee and, in line with the party's basic line of "one center, two basic points," rouse themselves, unite as one, and devote themselves to the construction of the motherland with one heart and one mind. Given such a situation, the opening the junior games will play a positive role in stepping up the building of spiritual civilization, promoting social stability and unity, and rousing the people.

As the climax of the preliminary contests for various events of the Second National Junior Games coincided with the turmoil and counterrevolutionary rebellion, our sports ranks succeeded in standing up to the test. By overcoming difficulties and removing obstacles, the organizations and units taking part in the competition and the vast numbers of athletes successfully completed all matches. They displayed not only outstanding sports and technical levels but also high political and ideological quality. As the unit sponsoring the games, Liaoning Province did not suspend preparations even for a day, thus creating a good condition for the successful opening of the games. The fact that the Second National Junior Games can be held as scheduled is the outcome of the joint efforts of the comrades on the physical culture front under the guidance of the correct policy of the party Central Committee.

The party and the government, as well as the proletarian revolutionaries of the old generation, have always attached importance to and have shown concern for the physical training work of youngsters. Holding the national junior games is a strategic measure for training outstanding reserve personnel for scaling the height of sports in the world, implementing the party's educational policy more satisfactorily, and training qualified personnel with all-around development morally, intellectually, physically, aesthetically, and in labor. Physical culture is an important component part of school education. The focus of youngsters' physical culture is in middle and primary schools. Schools of all levels and types across the country should attach great importance to and strengthen in an all-around way physical training work and the whole society should also show full concern and give full support. Adolescence, being the splendid years of life, is an important stage in fostering a correct world outlook, absorbing rich experience, and building up a strong physique. Youngsters are the future and hope of the motherland, and training qualified young personnel is of basic importance to ensuring the prosperity of socialist undertaking. We are sure that the junior

games will certainly promote the development of youngsters' physical culture, quicken the advance of China's physical culture to the world level, and make contributions to the early realization of our objective as a sports power.

All athletes, coaches, and referees: The heavy curtain of competition has been raised. It is hoped that the vast numbers of young athletes will carry forward the fine sports ethics of tenacious struggle and vigorous push, give a good account of themselves, display fine sportsmanship, and bring forth a large number of outstanding personnel. It is hoped that the vast number of coaches and referees will carry forward the spirit of fair competition and cooperation in unity to ensure the quality of competition. It is hoped that all comrades will unite as one, carry forward the fine style of hard struggle and thrift, turn this game into a splendid sports meet of high quality and high efficiency, and greet the 40th anniversary of the founding of the state with new and outstanding successes.

Lastly, I wish the Second National Junior Games every success!

Deng Article Outlines War Strategy

HK1309093189 Beijing JIEFANGJUN BAO
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[Article by Deng Xiaoping: "The Triumphant Situation of Moving Into the Central Plains and Future Policy and Tactics (25 April 1948)—This Was the Report Delivered by Comrade Deng Xiaoping at a Joint Meeting Held in Lushan, Henan by the Henan-Shaanxi-Hubei Front and Rear Committees—Selected From "Selected Works of Deng Xiaoping (1938-1965)"]

[Text] In my current visit to the Henan-Shaanxi-Hubei region, I found that the situation was very good. This is the fruit of the arduous efforts of all comrades in the party, the government, and the Army and also the outcome of the nationwide counteroffensive which was started in last July. It is everybody's hope that I can say something about the current situation. I think, the fact that the base areas in the Henan-Shaanxi-Hubei region have appeared in an embryonic form can roughly explain the issue. In the last 9 months, there has been new developments in the country's war situation as a whole, with all regions switching to counteroffensive without exception. From the Huang He to the Chang Jiang, we have swept one thousand li. We should not belittle the significance of this move. In China, there are not many thousand li from north to south. If we cover another thousand li from the Chang Jiang, we will reach the border between Guangdong and Fujian. Another advance of less than one thousand li will bring down Chiang Kai-shek's reactionary regime. The fact of this thrust shows that there has been a tremendous change in the strategic situation, just as, in his report "The Present Situation and Our Tasks," Chairman Mao said: Our counteroffensive has turned back the wheel of war. We

have wrecked Chiang Kai-shek's counterrevolutionary plan and forced him from the offensive onto the defensive, from fighting on exterior to interior lines. On our part, we have switched from the defensive to the offensive and from fighting on interior to exterior lines, thus changing the strategic situation.

Since our several field armies (Footnote 1) (They refer to the Sixth Column under the command of Liu Bocheng and Deng Xiaoping, commander and political commissar of the Shanxi-Hebei-Shandong-Henan Field Army, the Eight Column under the command of Chen Yi, commander and currently political commissar and Xu Yu, assistant commander of the East China Field Army, and the Chen-Xie Group under the command of Chen Geng and Xie Fuzhi, commander and political commissar of the Fourth Column under the Shanxi-Hebei-Shandong-Henan Field Army. Beginning in June 1947, these armies marched in three routes to Dabie Shan, the Henan-Anhui-Jiangsu Border Region, and the Henan-Shaanxi-Hubei Border Region to unfold a strategic offensive. Hence, on the battlefields in the Central Plains there emerged a favorable situation of tripartite cooperation.) went into action, they have suffered. Especially the troops in Dabie Shan met with many difficulties. The troops in Henan, Shaanxi, and Hubei have a little better conditions but they are not so comfortable as the troops on Tai Yue's interior lines. In view of the above-mentioned facts, some people may ask: Has our counteroffensive been carried out a bit earlier? Is it not better if it has been carried out a bit late? The facts have proved that the counteroffensive is appropriate and timely. If we had carried it out a little late, we would have committed a mistake. This is because according to Chiang Kai-shek's strategic policy of counterrevolution, he wants to carry out the war in the liberated areas. This is the experience he gained from his protracted war against the people. Those comrades who participated in the civil war during the 10 years of the Soviet regime (Footnote 2) (This refers to the revolutionary war carried out from 1927 to 1937 by the Chinese People's Armed Forces under the leadership of the CPC to revolt against the Kuomintang reactionaries and to carry out agrarian revolution and to establish and protect the Peasant-Worker Soviet Democratic Regime or it is generally known as the Second Revolutionary Civil War or the Agrarian Revolutionary War.) will understand this point of the argument. At that time, whether in the Central Soviet Area (Footnote 3) (This refers to the base area with Ruijin at the center in which the Interim Central Government of the Soviet Republic of China under the leadership of the CPC was located during the Second Revolutionary Civil War, a base which was located in the southern region of Jiangxi and the western region of Fujian. In the extreme case it covered 21 counties with a population of about 2.5 million people.), the Hubei-Henan-Anhui Soviet Area or the West-Hunan-Hubei Soviet Area, our troops were fighting while being completely encircled by the enemy forces. The policy of the enemy was to fight the war on the border of and in the

Soviet areas to exhaust the human, material, and financial resources of the Soviet areas as far as possible so that we could not last long even though we won some military victories.

When combating the enemy's fifth "encirclement and suppression" campaign. (Footnote 4) (In September 1933, Chiang Kai-shek concentrated about 500,000 troops and adopted a new strategy of blockhouse warfare and launched his fifth "encirclement and suppression" campaign against the Central Revolutionary Base Area. At that time, the "leftist" adventurist leadership of Wang Ming erroneously used position warfare in favor of guerrilla warfare and mobile warfare. At first they committed an adventurist mistake while in the offensive and then made a conservative mistake while in the defensive. As a consequence, though the Red Army had fought many battles, it won not a single one of them and instead it was thrown into passivity. After a year of bitter fighting, it failed to smash the "encirclement and suppression" campaign. In October 1934, the main forces of the Central Red Army were forced to pull out of the Central Revolutionary Base Area and embarked on the Long March.), suppose we followed the principles laid by Chairman Mao, shifted our forces from interior to exterior lines, and drove and fought the enemy out of the Soviet areas, we would have been able to maintain the Soviet areas and the Red Army would not have been forced to go on the Long March. (Footnote 5) (This refers to the strategic massive move taken by the First, Third, Fifth, Eighth, and Ninth Army Groups of the Chinese Workers' and Peasants' Red Army (that is, after the Central Red Army joined by the Fourth Front Army in June 1935, the designation of the First Front Army was reused) and the two columns composed of troops directly under the command of the organs of the CPC Central Committee and the Military Commission and started from Changding and Ninghua in the western region of Fujian and from Ruijin and Yudu in the southern region of Jiangxi. After having passed through 11 provinces, such as Fujian, Jiangxi, Guangdong, Hunan, Guangxi, Guizhou, Sichuan, Yunnan, Xikang (now it separately belongs to Sichuan Province and the Tibet Autonomous Region), Gansu, and Shaanxi, tramped over mountains perennially covered with snow, crossed the untraversed marshlands, going through all kinds of hardships and difficulties, routing tens of thousands of KMT government troops which encircled, pursued, intercepted, and blocked its advance, covered more than 20,000 li, the Red Army triumphantly reached the revolutionary base area in the northern region of Shaanxi.) It was a pity that the "leftist" opportunists did not do so and hence, we fell into the trap set by Chiang Kai-shek. This time Chiang Kai-shek again wanted to use the same method in dealing with us and to fight the war in the liberated areas so as to sap our human, material, and financial resources and make us unable to last long. He also wanted to block us from going out of the liberated areas so that he could keep the rear with a population of 300 million people whole and intact and use it to support his war efforts. These smug calculations were clever but Chairman Mao

was more clever when he saw through Chiang's wishful thinking long before he worked out the policy of self-defense war. He told us: At the beginning we should fight on interior lines and after we have fought for quite some time and the enemy has been weakened considerably, we should fight on exterior lines and in the Chiang-controlled areas. In this way Chiang Kai-shek's counter-revolutionary sinister strategic policy can be smashed. Because in the early days of war, we are poorly equipped and have little experience in conducting operations, fighting on interior lines will help wipe out the enemy, organize and develop our forces, and accumulate experience. Therefore, it is completely necessary to fight on interior lines before going to fight in other areas. Moreover, we have won victories in doing so. From July 1946 to July 1947, in the first year of the War of Self-Defense, we annihilated 1.12 million enemy troops in all battlefields throughout the country. We organized the scattered guerrilla forces into field armies and accumulated rich battle experience. Now the time is ripe. We must move to exterior lines. Otherwise, we will suffer. Take Hebei, Shandong, Henan for example. After a year of fighting on interior lines, fewer chickens, pigs, and draught animals which were raised by the peasants and fewer trees were seen in villages. May we ask: Can we endure fighting in the liberated areas? If we just think we can live more comfortably while fighting on interior lines, we will fall into the enemy's deadly trap.

Since we took action 9 months ago, we have made great achievements. More often than not some comrades failed to see this point. Take the several columns under our command for example. In the first year of the War of Self-Defense, they won many battles. Within 23 days in July of last year, they wiped out nine and a half enemy brigades. However, when they entered Dabie Shan, they just annihilated four enemy brigades altogether. Such being the case, one or two people doubted if the situation had turned for the worse. In fact, so long as we make a good calculation, we will see the truth of the situation. First of all, strategically, we have switched from the defensive to the offensive and advanced one thousand li further, occupied an area with a population of 45 million people, managed to control through struggle an area with a population of 20 million people, and moreover, we have pursued guerrilla warfare in another area with a population of 25 million people. In these areas the enemy can recruit no new soldiers and get no grain supplies. That is to say, of the 300 million population under enemy control, one-sixth has been liberated from such control. Second, let us see the number of the annihilated enemy. According to the recently released results of battle, from July 1946 to February 1948, on the battlefields across the country, nearly 2.11 million of the enemy were annihilated and in March at least hundreds of thousands of enemy were wiped out. This shows that the military successes scored in the 9 months since the counteroffensive was launched were as many as the exploits made in the first year of the War of Self-Defense. Though we suffered, we had won greater victories and struck heavier blows at the enemy. In terms of

the three field armies in the Central Plains, in Hubei, Henan, and Anhui, the several columns in Dabie Shan have been weakened considerably, losing 15 percent of their personnel but these armies have grown in strength by 100 percent in the Chang-Jiang-Han-Shui area; 50 percent in Tongbai; and 100 percent in Henan, Shaanxi, and Hubei. They have also grown in strength in Henan, Anhui, and Jiangsu. So, overall, the three field armies have greater strength than in the past.

Comrades must have felt that Dabie Shan was a mystery. At first we occupied 20 county towns or more and then lost all of them. Moreover, the main forces of the field armies there had moved to the region north to the Huai He. Can this be considered victory? In my opinion, it is also a victory. As everybody knows, the strategic position of the Central Plains is very important. They are located right on the front of the enemy's gate and moreover, Dabie Shan lies by the side of the gate. After we launched the counteroffensive, the plains have replaced Shandong and Shaanxi which were attacked by the enemy as key sectors and became a battlefield in which the enemy concentrated most of its troops. The situation of the Central Plains depends on two mountains, Dabie Shan and Funiu Shan. What the economy are most concerned about is Dabie Shan which is more important than Funiu Shan. To achieve stability in the Central Plains, it is essential to keep Dabie Shan under control, for it is a strategically good base of advance. Near to the Chang Jiang and extending sharply to Nanjing and Shanghai in the east and thrusting to Hankou in the southwest, Dabie Shan is an important springboard for crossing the Chang Jiang. The enemy is under constant threat of our crossing the Chang Jiang. Both the enemy and we ourselves are fighting for possession of Dabie Shan. This is a process of hard struggle. We have established two military regions in Dabie Shan with a population of 12 million people, universally finished the arrangements for conducting guerrilla warfare, left the remaining forces scattered in different corners, and established country and district armed regimes. We have held our ground. The enemy cannot beat us away in any case. The facts have proved that we have managed to hold our ground even though we are assuming the guerrilla posture. Hence, we are able to transfer our field armies for greater mobile operations. In the previous period it was impossible for us to do so. The struggle in Dabie Shan has advanced a step further to the extent that local people and the troops have managed to keep the struggle in Dabie Shan going. Currently, the Central Plains have absorbed more than half of Chiang Kai-shek's forces deployed on the southern line, thus ensuring the victorious development of other areas. Nationally, the Central Plains have suffered most and paid a price but gained the initiative strategically and won an overall victory. So, when commenting on the war situation, the party Central Committee and Chairman Mao first dealt with the Central Plains and very highly valued the plains' achievements.

Some of our Communist Party members have too few Marxist ways of thinking. When they see a cloud over

their heads, they will think there are clouds all over the world. They approach problems out of their intuition and judge the success or failure of a revolution by whether or not there are dark clouds in their minds. In this way, if confronted with difficulties, they will lose sight of the bright future and victories and feel disheartened. Our forces are expanding and our victories are not meager but it is certain that fighting on exterior lines is not as delightful and comfortable as fighting on interior lines. Revolution cannot be made in ease and comfort. In the days to come, the struggle will become more difficult and the more it approaches victory, the greater the difficulty. Everybody hopes that the revolution will be victorious soon but if asked whether you dare to win, the problem arises. Those who do not necessarily hope for victory dare to win. To win, one must be ready to suffer. Many troops from the north which are not used to the life in the South are afraid of crossing the Chang Jiang. However, if we dare to win, we must cross the Chang Jiang. Since hundreds of millions of people are still ruled by the enemy, only when we cross the Chang Jiang and thrust to the heart of the enemy can we win a nationwide victory. Those who are afraid of crossing the Chang Jiang are most cowardly and those who yield to difficulty are not determined in making revolution. A real hero must be ready to overcome difficulties, to suffer, and to cross the Chang Jiang with courage and determination. The same thing goes for comrades doing local work. This is a matter of line and of whether one is determined or not in making revolution. All comrades in the Central Plains are shouldering a difficult task. The whole nation is watching us. We must redouble our efforts.

You comrades may surely ask: How long can we win victory? Comrade Ren Bishi's report (Footnote 6) (Ren Bishi, 1904-1950, born in Xiangyin, Hunan, was member of the Political Bureau of the CPC Central Committee and of the Central Secretariat at that time. The report discussed here refers to the speech entitled "Several Problems in Land Reform" which he delivered at the enlarged meeting of the Front Committee of the Northwest Field Army held on 12 January 1948. The speech has been included in the "Selected Works of Ren Bishi".) pointed out: If we commit no mistakes, we will certainly win in 3 or 5 years. Upon hearing this, everybody was pleasantly surprised. What pleased them was that victory was established and what surprised them was that they had to wait for another 3 or 5 years. They felt it really hard to put it off for such a long time. It must be understood that 3 or 5 years are not a long time. Moreover, to win victory, hard work is still needed, because China has a population of 455 million people while the world's population is just 2 billion. Our victory means the victory of one-fourth of the world's population. Twenty-odd or less than 30 years have passed since the CPC was founded. Under the leadership of the CPC, the Chinese revolution of 455 million people will triumph very soon. This is indeed a very happy and good thing.

The condition for the argument that we win within 3 or 5 years is that we should not make mistakes. In which

issues should we not commit mistakes? In five issues as pointed out by the central authorities. If we commit mistakes of principle in any one of them we will fail.

1. The war issue. As already mentioned above, under the careful leadership of the party Central Committee and Chairman Mao, we have carried out the War of Self-Defense successfully in the last 21 months, with our military strength continuously expanding and we will achieve a numerical balance in strength between the KMT troops and ourselves in a period of time to come. Now our troops have exceeded them in quality. Most importantly, we should not be arrogant. Especially those troops which have scored victories must all the more be cautious and conscientious. With their experience in being defeated, the enemy will become more cunning. We should refrain from having our heads turned by success and victory and continuously sum up our experience, and enhance our combat strength. So long as we persist in annihilating eight enemy brigades or 100,000 troops a month, we will be able to reach the first year's quota of 97 brigades or 1.12 million troops in a year. In this way the enemy is bound to be defeated. In the days to come, we must be more flexible and carefully seek opportunity for combat. Our victory depends on our "feet [jiao 5183]" and once we find any opportunity for combat, we should dare to launch long-range raids on the enemy. We should dare to go on foot either in disengaging ourselves from the enemy or in attacking the enemy from afar.

2. The land reform issue. Before the National Land Reform Conference (Footnote 7) (This refers to the national land reform conference held by the Working Committee of the CPC Central Committee from 17 July to 13 September 1947 in Xibaibo Village, Bingxian County (which was merged into Pingshan County in 1958). The conference summed up the experience gained in land reform since the "May Fourth Directive" of 1946 was transmitted to lower levels, opposed rightist deviation in land reform, worked out a policy of confiscating the landlords' land and distributing it equally according to the number of people in a family, drafted and adopted the Outline Land Law of China, and made a resolution on rectifying party organizations in connection with land reform. The promulgation of the Outline Land Law of China gave a push to the land reform movement which was aimed at eliminating the feudal system of exploitation in various liberated areas. The conference paid inadequate attention to the "leftist" deviation emerging in the land reform in the previous period and overestimated the lack of thoroughness in some aspects of land reform and the impurities in the party in ideology and organization and thus the "leftist" mistakes further developed.), some comrades in the party neglected land reform ideologically and some even bore great resentment against it. This state of affairs is very dangerous. What does revolution mean? It means opposition to imperialism and feudalism. Moreover, the mainstay of imperialism is feudalism. If feudalism is not opposed and land reform is not carried out, a protracted war

cannot be sustained and revolution cannot succeed. Even though we capture Nanjing, if we fail to carry out land reform and let the foundation of the feudal role leave untouched, this will also lead us nowhere. Therefore, opposing feudalism is a fundamental task of the Chinese revolution. After the land reform conference, this problem of serious tendentiousness was roughly corrected nationwide. Far from a move of just chanting several supportive slogans, land reform involves many questions of policy and therefore needs sound solutions. Take the newly liberated areas for example. Specific areas have made achievements in land reform but overall, land reform has not been carried out quite satisfactorily.

3. The party rectification issue. With serious impurities existing in it in organization, ideology, and workstyle, the party will lose its combat capability and be unable to fulfill its revolutionary tasks. This being the case, to overcome this phenomenon, it is imperative to rectify party organizations. If party organizations are not rectified, the party will really become decayed. Through party rectification, most people who have resisted land reform, embezzled the fruits of victory, or succumbed to a maintain-stronghold mentality can be redeemed. However, party rectification should be carried out properly, through which we should educate our comrades, achieve internal unity, and solve problems ideologically. Chairman Mao said: All people who have not lost the minimum qualifications as Communist Party members should be redeemed and there are always ways to do so. Like land reform on which we should have a correct policy, we should also have correct methods in regard to party rectification. Comrades of the whole must accept party rectification and no one shall stress peculiarity. As everybody knows, everyone of us has shortcomings and errors and the difference lies just in their seriousness. As such, everyone must rethink and undergo a movement of political consciousness. Those who are not politically conscious should be given help in this respect. Those who really cannot be redeemed should be expelled. This is the sanctity of party rectification. The battalions of the Chinese revolution are very broad and its tasks are many. Communist Party members are shouldering very heavy tasks. Whether the party can exercise leadership well and whether the line and policies of the central authorities can be implemented well depend on whether Communist Party members are up to standards. Chairman Mao's directives are correct but if we indulge in liberalism and violate them in all aspects, we still will end in failure. Through party rectification, our will can be united and the line and policies of the central authorities can be implemented, our combat strength boosted, and the people's liberation cause can thus be victorious.

4. The issue of policy concerning industry and commerce. During the later stage of the Soviet regime (Footnote 8) (This refers to the period from the end of 1931 to that of 1934, that is, from the victorious end of the third "encirclement and suppression" campaign to the Zunyi Meeting, during which the "leftist" adventurism with Wang Ming as the representative occupied a

dominant position in the Soviet areas.), the enemy blocked us so heavily that salt sold for one dollar a qian (being equal to 5 grams). This, plus the mistakes in our policies, undermined our industry and commerce, thus building a great wall around ourselves. When we entered the central plains, without exception, all localities ran counter to the correct policy and thus ate their own bitter fruits. Many comrades blamed the war for this state of affairs, saying that industrialists and businessmen closed doors because they were looted by the enemy and few people thought that they themselves had made a mess of the situation. Since they failed to find out the real causes, they were in no position to correct them and were thus beset with difficulties. There was nothing to buy even if one had money at hand and if there were anything to sell (such as timber in Dabie Shan), they could not be shipped out for sale. Since oil mills have been destroyed, no oil is currently available for sale. The potmaking factory in Dabie Shan and coalpits and peddlers relating to the factory supports 30,000 people. If the factory is shut down, these people will be unable to support themselves or their families. If the small market on the Lushan street is closed down, at least ten thousand people will lose means of livelihood and immediately ask you for food to eat. In our area 30,000 people make a living on growing tobacco. If the cigarette factory collapses and its products cannot be exported, these people will have no food to eat and no clothing to wear. Who are actually being overthrown, the capitalists or ordinary people? As I see it, with these actions the people's livelihood, rather than the capitalists, is smashed. Bureaucrat capitalism refers to the group of the four big families rather than bureaucrats plus capital. Otherwise, any shops run by a county magistrate have to be confiscated. If no good job is done in the question of industry and commerce, there will be no way to establish the economy in the liberated areas and the people's livelihood will be affected. By that time, even if the KMT does not want us to go away, we have to go and the revolution is bound to fail. This being the case, we should solve the problem of policy on industry and commerce well. Industry and commerce in the private sector are part and parcel of the new democratic economy. We should give support to their development.

5. The issue of killing people. Indiscriminate killing is bound to lead to failure. After entering Dabie Shan, our troops were already exhausted and less disciplined. At that time, the civilians raised two questions to us: Can you behave a bit better? Do you still want to eliminate counterrevolutionaries? In the past, Zhang Guotao (Footnote 9) (Zhang Guotao, 1897-1979, was born in Pingxing, Jiangxi. When he was secretary of the Hubei-Henan-Anhui Subbureau of the CPC Central Committee and concurrently chairman of the Military Commission from 1931 to 1932, he launched an erroneous "mass campaign to eliminate counterrevolutionaries" in which many revolutionary cadres and people were killed.) committed the mistake of killing people indiscriminately. This time, in Yuexi, a working personnel of

landlord origin killed many people in a village, undermining the work in many nearby villages. Most of the so-called lackeys who were killed were poor people. Killing people solved no problems. When some people discussed killing people, they raised their hands while lowering their heads. When the discussion meeting was over, they regretted this even before reaching home. This shows that killing people mistakenly is bound to make ourselves divorced from the masses.

Overall, before the land reform conference, rightist deviation was serious. Today, in terms of the national situation, the main tendency is "leftism" though rightist deviation is still with us. However, the latter is not the main aspect. The manifestations of rightist deviation are that some people are not enthusiastic in carrying out land reform. Aware that the central authorities advocated paying attention to policy and tactics, they would think that there were grounds to follow and say: Go slow. Let us pay some attention to tactics.

Some people turned a blind eye to party rectification and stressed that their conditions were special, saying that we had our own factions and why not show some consideration for us. Party rectification is a serious thing. We should not pardon others just because they are members of the same faction and old friends or out of personal relations. These are feudal practices. Winning over people through education is the principle of party rectification. We should seriously treat any people who made mistakes and conduct criticisms and self-criticisms. In the current party rectification, we should strive to straighten things out in ideology in regard to impurities in ideology and class status, corruption and degeneration, bad work style, violations of discipline, weariness, and the mentality of being afraid to cross the Chang Jiang to suffer. Recently the xenophobic fear of the United States seemed to develop. Some people said that the United States had provided Chiang Kai-shek with several hundreds of millions of U.S. dollars as well as guns and cannons. We know that they are of no great use to him. Now people are afraid of the United States dispatching troops and its atomic bombs. Many comrades do not believe in Chairman Mao's thesis that U.S. imperialism is a paper tiger. (Footnote 10) (See: Mao Zedong's "Talk With the American Correspondent Anna Louise Strong", "Selected Works of Mao Zedong," Vol IV, 1966 edition published by the People's Publishing House, p 1139) They thought that the United States was very fierce when it dispatched troops and we were bound to be defeated. To a revolutionary, this mentality is not to be tolerated. Especially, as far as Communist Party members are concerned, opposing imperialism and feudalism is the program and task of our revolution. Why must we be afraid of imperialism? Even if the United States does dispatch troops, not to say it is not so easy for it to do so, let me ask in reply: Will you continue to make revolution or not? Will you still need the program of opposing imperialism? Are you still qualified as a member of the vanguard of the working class? A Communist Party member of the best quality must answer:

Fight against it and fight to the bitter end! We must have this boldness of vision. Communist party members must not possess the servility which was frequently condemned by Mr Lu Xun. We must have the courage to despise U.S. imperialism and the servile behavior of xenophobia, and encourage healthy trends. The U.S. sending of military forces is a global issue. By clamoring about dispatching troops, the United States aims at frightening people. Ideologically we should foster a clear and definite idea: The United States can be defeated even though it sends its military forces and we can equally win. We must dare to win and overcome all forms of rightist mentality.

The manifestations of "leftist" deviation are that during the land reform, "leftist" methods were used in determining class status and landlords and rich peasants were treated as equals and an attitude of rejection was adopted toward the middle peasants, thus infringing upon their interests. In the work of newly liberated areas, we became impetuous, enlarged the scope of attack, and pursued a "leftist" policy concerning industry and commerce. This "leftist" policy is longstanding. In the 8 years of resistance war, a "leftist" industrial and commercial policy was pursued. The related directives of the central authorities and the resolution of the Sixth Plenary Session of the Sixth Central Committee (Footnote 11) (In October 1938, in his report entitled "On the New Stage" to the Sixth Enlarged Plenary Session of the Sixth CPC Central Committee, Mao Zedong put forth the policy of "protecting the free operation of industry and commerce in the private sector." The session made a resolution and adopted Mao Zedong's report.) were not implemented conscientiously, thus undermining our own endeavors. Now if "leftist" deviation is not overcome, it will be impossible to carry out land reform and economic construction well in the base areas.

All these issues involve policy and tactics. We must diligently study Chairman Mao's "Essential Points in Land Reform in the New Areas" (Footnote 12) ("Essential Points in Land Reform in the New Areas" or "Essentials Points in Land Reform in the New Liberated Areas" was an innerparty directive drafted by Mao Zedong for the CPC Central Committee. It has been included in "Selected Works of Mao Zedong," Vol IV.) and Comrade Ren Bishi's report. These two documents can basically solve the problems in land reform in the new areas. Chairman Mao's tactical principle was to make use of contradictions, win over the many, oppose the few, and crush our enemy one by one. (Footnote 13) (See: Mao Zedong's "On Policy," "Selected Works of Mao Zedong," Vol II, 1966 edition published by the People's Publishing House, p 721) These 16 Chinese characters are easy to understand. What is called the many? The poor peasants and farm laborers who constitute 70 percent of the rural population, coupled with the middle peasants who make up 20 percent of the rural population, form a basic force or is called the many. We must always take these two sections of people as the yardstick to see if we have presented their interests and

won their support. In the previous stage of land reform, in general, the middle peasants who comprised 20 percent of the rural population were excluded and among the poor and farm laborers who constituted 70 percent of the rural population, in fact only the poor peasant leagues exercised dictatorship. The so-called line of the poor peasants and farm laborers is wrong. The correct line must be reliance on the poor peasants and farm laborers, solid alliance with the middle peasants, and elimination of the feudal system. What is called making use of contradictions and crushing the enemy one by one? These tactics are applied to the landlords and rich peasants who make up 10 percent of the rural population. To put it another way, in a certain period of time, we should concentrate forces on attacking a section of them and neutralize the other section. The "Essential Points in Land Reform in the New Areas" pointed out: Strike blows at the landlords and neutralize the rich peasants. Treatment must be different for big, middle, and small landlords. The total scope of attack should not exceed 8 percent of the households or 10 percent of the population. This is aimed at removing the barriers blocking the mass movement. If we strike blows at big, middle, and small landlords indiscriminately and even at the rich and middle peasants, this will mean setting up barriers around ourselves like conducting operations. The significance of tactics lies in removing barriers so that we can forge ahead with strides. This will help us unite and lead the masses and do things well rather than do things in favor of the landlords. Our comrades universally lack this tactical thinking and have even rejected such thinking and enlarged the scope of attack, thus erecting numerous barriers for themselves. In Dabie Shan, there occurred a case in which small landlords and rich peasants were "driven to join the Liang Shan rebels" to revolt against us using spears and the masses also suffered devastation. Recently we corrected the mistake and local diachards laid down their arms. The poor peasants said: If only you had done it earlier. This being the case, comrades in Dabie Shan can easily understand this tactical thinking, because the "retribution" they received was both drastic and speedy. Can comrades in Henan, Shaanxi, and Hubei understand it so profoundly? Those who have not suffered should also understand it. To put it briefly, we should refrain from making more enemies, neutralize those who can be neutralized, and immobilize [ma bi 4034 4036] those who can be immobilized. Those who are not opposed to us today are all to our advantage. If this is called yielding to the landlords and abandoning land reform, it will be wrong. We are firm and unshakable in carrying out land reform. This way of doing things can only help accelerate land reform. Otherwise, haste makes waste.

Let us again discuss industry and commerce. We must also have a correct policy. We have had lessons in this regard. You think you are winning the many but in fact you are divorced from them. In doing business, it is only natural for the capitalists to make money and to be involved in exploitation. However, if a business establishment goes bankrupt or if we confiscate it, this will

affect the livelihood of the people much larger than what the capitalists exploited from the people. We must see where we stand and how we should act to better serve the masses. The argument of not letting the capitalists exploit us sounds revolutionary but after doing some calculations, we have come to realize that this is not a revolutionary idea and moreover, it can lead the revolution to failure. Tens of thousands of our troops in the Central Plains need food to eat and clothing to wear. If no attention is paid to industry and commerce, we simply cannot last long. We should organize our own economy to supply the needs of war. Our principle is plain living and hard struggle. If supply standards are the same as those in north China, this will entirely exceed the possibility of actual conditions. We must strive for an appropriate limit in light of the conditions in the new areas. We should have a clear and definite financial policy and very proper methods. It will not do to rely exclusively on printing more bank notes. With a unified principle, policy, and plan, plus the help from north China, problems can be solved. In the new areas, no matter which aspect of our work is concerned, if we know nothing about using industry and commerce in the private sector, it will be impossible for us to solve the problem of supply. Different from the new areas, north China has a large number of publicly owned cooperatives, nearly 10 years of accumulated strength, and more than 6 years of experience while the former do not have such a foundation and condition. This being the case, we must be good at using the existing private industrial and commercial businesses, gradually organize our own economy, pay attention to this issue while carrying out the mass movement, including the industries and businesses run by the landlords and rich peasants. They shall not be confiscated and allowed to stop doing business. If their assets have been shared out by the masses, forces should be quickly organized to restore production. At the same time, we should stress a united front among businessmen to win their support for the bank notes we issued. We should grant loans to businessmen and let them become shareholders. Organizing the economy is not a job that can be accomplished in a day. We should keep on checking our tax collection requirements and policy concerning industry and commerce, with the focus of attention on war supplies and the people's livelihood. While opposing speculative monopoly, we should allow businessmen to make some money. Without a correct policy, no current problems can be solved.

We often say: Policy and tactics are the life of the party. Without them, the line of the party is hollow. A correct line must have correct policy and tactics as a guarantee. Comrades of the whole party must study the party's policy and tactics well. In this way we will become tremendously powerful and no one can defeat us.

CPC To Promote Multi-Party Cooperation

HK1409023989 Hong Kong SOUTH CHINA
MORNING POST in English 14 Sep 89 p 11

[By Willy Wo-lap Lam]

[Text] The Chinese Communist Party (CCP) has renewed its commitment to the political reform measure of elevating members of China's eight non-communist "democratic" parties to major government positions.

Chinese sources say that the United Front Department (UFD), an organ of the party's Central Committee, has been given orders to continue studies of how to promote "multi-party co-operation" between the CCP and the eight parties.

An important element of multi-party co-operation will be to offer important government positions to senior politicians from these parties.

Plans for such multi-party co-operation were first formulated early this year. They were completely disrupted during the pro-democracy movement in spring.

Chinese sources say that General Secretary Jiang Zemin has taken a personal interest in renewing research and experiments in this area.

Miss Wan Shaofen, vice-head of the United Front Department, has told leaders of democratic parties that Mr Jiang and other senior CCP leaders will before the end of the year hold discussions with them "on how to further the system of multi-party co-operation under the leadership of the CCP."

"China will continue to uphold and perfect the system of multi-party co-operation," Miss Wan said.

Under plans drawn up by disgraced party chief Zhao Ziyang earlier this year, the CCP hoped to elevate as many as 11 democratic-party stalwarts to ministerial positions.

At the National People's Congress last March, Mr Hong Fuzeng and Mr Li Peiyao, both leaders of non-communist parties, were made respectively vice-minister of agriculture and vice-minister of labour.

A Western diplomat said: "Mr Jiang Zemin realises that intellectuals, who form the bulk of members of democratic parties, are dissatisfied with Beijing's iron-fisted clamp-down on the pro-democracy movement.

"Revival of the system of multi-party co-operation is a way of placating disgruntled intellectuals."

Some steps in this direction have been taken in Guangdong. Recently, the provincial government appointed Miss Cheng Zhiqing and Mr Luo Fuhe as respectively vice-chairman of the Science and Technology Committee and vice-president of Huanan Agriculture University.

Miss Cheng, 54, is a member of the Standing Committee of the Chinese Kuomintang Revolutionary Committee. Mr Luo, 40, is a senior member of the Chinese Democracy Promotion Society.

Analysts say, however, that Mr Jiang's concept of multi-party co-operation will be more conservative and orthodox than that of Mr Zhao.

For example, it is likely that only those democratic-party members who have professed loyalty to the CCP will be inducted into the higher levels of the government.

Chinese sources say that many cadres in the UFD have been under investigation for possible involvement in the "counter-revolutionary rebellion."

During the pro-democracy movement, senior UFD officials, including its chief Mr Yan Mingfu, held talks with student leaders and dissident intellectuals with a view to persuading them to call off the demonstrations.

UFD personnel, however, also functioned as the channel through which such influential academics as Mr Yan Jiaqi and Mr Yu Haocheng expressed their views to Mr Zhao Ziyang and other liberal leaders.

Mr Yan, Mr Yu and many other dissidents that UFD cadres were in contact with have either fled the country or have been detained by police.

XINHUA Denies Reform Affected by Turmoil

*OW1509085589 Beijing XINHUA in English
0816 GMT 15 Sep 89*

[Text] Beijing, September 15 (XINHUA)—Reform and opening to the outside world, two basic national policies of China, have not been disrupted by the social turmoil of the April-June period.

Top Chinese leaders Deng Xiaoping, Jiang Zemin and Li Peng have repeatedly reiterated the policies in recent months, and local authorities have not relaxed their efforts to absorb foreign investment.

Soon after the quelling of the June 4 rioting in Beijing, Guangdong Province, the pioneer in implementing China's open policy, continued negotiation on two big projects involving 20 million yuan each.

In the Chinese capital, 10 foreign-funded projects with contractual investment of 10 million U.S. dollars were approved by the municipal authorities in the period from June 1 to 20.

Coastal Fujian, another pilot province in attracting overseas investment, approved 35 projects with direct overseas investment of 24 million U.S. dollars in the first half of June. The province also held an overseas investment and trade fair as scheduled, resulting in contracts for 500 projects worth 936 million U.S. dollars.

The majority of overseas investors have shown their sincerity and confidence in China's open policy despite the social unrest earlier this year.

The 238 foreign-funded firms in Shanghai, China's biggest industrial city, continued normal operations during that period while the 102 projects under construction and 273 projects under preparation proceeded smoothly.

In north China's leading port, Tianjin, the Land Bureau of its development zone and MGM Commercial Company of the United States signed the biggest cooperative project in the city's history in early August. Land use rights to 5.3 square kilometers of land were transferred for 70 years.

Though some foreign investors left China temporarily because of the social unrest, most of them returned after the situation returned to normal. Representative offices of foreign firms in Beijing increased by 77 from April to August, the highest during that period since China instituted the open policy in 1979.

The reason the Chinese Government resolutely maintains the policies of reform and opening to the outside world is that the policies have injected vitality and energy into China's socialist cause and reinforced state economic power over the past decade.

China has formed an open belt along coastal areas with five special economic zones, 14 coastal cities and 283 counties. The western parts of China, which were economically backward for decades, have taken advantage of the open policy to develop economic relations and trade with the Soviet Union, Eastern Europe and Middle Eastern countries.

The reform and open policies have boosted China's foreign trade which jumped by four times in the past decade.

The country has used 30 billion U.S. dollars in foreign loans to develop transport, energy, agriculture and education, imported over 20,000 up-to-date technologies and facilities, and 7,000 foreign-funded enterprises have gone into operation since 1979.

Conflicting Statements on Zhao Ziyang Cited

*HK1509023989 Hong Kong HONGKONG STANDARD
(CHINA TODAY SUPPLEMENT) in English
15 Sep 89 p 3*

[By Terry Cheng]

[Text] Mixed signals have been given out recently by different Chinese officials regarding with the present state of affairs in China.

The latest is one by Vice Culture Minister Ying Ruocheng, who said Mr Zhao Ziyang would not stand public trial unless the disgraced party chief had committed a crime he did not know about.

The qualified statement, nevertheless, contradicted the earlier statement by State Council spokesman Yuan Mu that the former party general secretary might face trial.

Mr Ying's remark could not be an off-the-cuff remark, as he was responding to questions in a press conference by the Culture Ministry, in which sensitive questions were expected.

There are various explanations for the vice culture minister's statement, however.

The fact that he is a liberal may prompt speculation that his statement is merely wishful thinking, and that he was commenting in a press conference on an international arts festival aimed at foreign patrons to present a better image of China's politics.

Nevertheless, it must be remembered that Mr Ying is also a senior Chinese official, and his remark must have been based on some knowledge.

Perhaps the most plausible explanation is that a decision has not yet been reached on whether Mr Zhao should be committed for trial.

When dismissing Mr Zhao as party chief, a party Central Committee plenary session in late June also decided that it would look into his activities during the student-led demonstrations.

Since then, various accusations have been made against him.

Hardline Premier Li Peng and his accomplices may want to commit Mr Zhao for trial. His spokesman, Mr Yuan, has already spelled this out quite clearly.

The gravest charge against Mr Zhao so far is that he plotted to overthrow Mr Li's government by asking to convene an emergency National People's Congress Standing Committee to discuss martial law shortly after its imposition by the premier.

The move to convene the meeting was initiated by Mr Hu Jiwei, a liberal member of the NPC Standing Committee, and was carried out by executives of the Stone Company, which was said to have close links with Mr Zhao.

An NPC Standing Committee meeting last month decided to set up a team to probe into the allegation against Mr Zhao. Until now the team has not come up with any findings, on which Mr Zhao's fate partly depends.

The allegation of a coup plot seems to have been revived by Ms Han Suyin, a novelist who has close links with Chinese leaders and just finished a visit to Beijing.

She said this week in Hong Kong that the Chinese Government has sufficient evidence of a coup plot to justify using the Army in Tiananmen Square.

Ms Han, who had talks with Chinese leaders in Beijing, however, did not elaborate on who plotted the coup.

However, any decision to commit the former party chief for trial must come from paramount leader Deng Xiaoping, who must have reservations on the matter.

Mr Deng has been praised as the "chief designer" of China's 10-year reform, and Mr Zhao and his predecessor, Mr Hu Yaobang, were only "following his orders".

A signal that appears to differ somewhat with the present political mood is the presence of some critical, if not dissenting, intellectuals in a funeral of noted literary figure Zhou Yang.

Mr Zhou died on July 30, but his funeral was only held on September 5. The delayed funeral, according to some observers, was due to the difficulties of arranging the participants for the event.

On the one hand, almost all members of the new leadership after the June 4 massacre appeared, including party chief Mr Jiang Zemin, Premier Li, President Yang Shangkun, NPC Chairman Wan Li.

On the other hand, some well-known critics of the government were also there.

Conspicuously absent were Mr Hu Qiaomu and Mr Deng Lihuan, the two former officials in charge of ideological work.

According to reports, they did not appear at the funeral due to opposition by Mr Zhou's widow.

Mr Zhou was once described as China's literary czar. He, however, took a different view after the Cultural Revolution (1966 to 1976) during which he and other intellectuals suffered.

In the early 1980s, he was criticised for his advocacy of the alienation theory, which says, among other things, that the people's government would alienate itself from the people to become their masters.

The attendance of critics at the funeral, coupled with the fact that Mr Zhou was praised by the official media as having made great contributions to the country's cultural cause, can be considered a manifestation of tolerance towards more dissenting views.

The occasion might be used to show superficial unity and stability. Nevertheless, the indications are not in line with the present political mood and may be reflections of intensified battles among the leaders.

Commentator Stresses Clean Government

*HK1509003089 Beijing NONGMIN RIBAO
in Chinese 30 Aug 89 p 1*

[Commentator's article: "Sweep Away the Psychological Obstacles To Building Clean Government"]

[Text] Punishing corruption and strengthening clean government is one of the four major tasks to be grasped well at present as proposed by the 4th Plenary Session of the 13th Central Committee. It is also a matter of importance people show great concern for today. Because it has a bearing on the party's fate, and the

success or failure of the "Four Modernizations." To genuinely do a good job in this work in a down-to-earth way involves lots of arduous, meticulous work, and great efforts. The psychological obstacles among some cadres must first be swept away.

One of the obstacles is: The mentality of self-forgiveness.

Some people say to themselves: I didn't ask for your presents. It's the power in my hands that you want to borrow, in return, you give me money. I am doing some business on your behalf, in return, you give me some kind of reward; that is just way of doing things today, and there is nothing wrong with it.

The core of such erroneous mentality is the wrong understanding of the nature of power in one's hands. In such cases, power is mistakenly regarded as something of private ownership to be traded for money. Who er dows cadres with power? It is the party and the people, to whom power really belongs. Therefore, power means fulfillment of responsibility and services rendered. This requires those who have some power in their hands to think twice before using power; it should never be used arbitrarily like a handkerchief. The abuse of power does not fall in line with the party's spirit and people's wish. Will self-forgiveness achieve a psychological balance? The so-called self-forgiveness is simply deception and self-deception. The consequences of self-forgiveness can never be self-relief, but harm to oneself and self-destruction. The right choice should be self-examination and self-reproach.

The second obstacle: The mentality of comparing with others.

Some people hold the view, "the way today is that the reckless eat their fill, while the chicken-livered starve to death." What does it matter with what little I take, when others get the lion share? Only a fool will refrain from taking it.

Such a mentality sounds justifiable enough. In fact, it is only a pretext to conceal one's dirtiness. Such people are liable to say: You and I are both greedy, but I have pocketed far less than you have, so I'm not so greedy as you are; therefore, I am justified to take more, in a still more relentless way. What kind of logic is that? We should like to advise comrades who favor such a mentality to ask their consciences in the still of the night: Why can't I compare with others in cleanliness instead of dirtiness? Why can't I compare with others in our contributions instead of in personal gains? Upright people in ancient times opposed "the association with evil persons," while they advocated the achievement of "maintaining sobriety alone while all others are drunk," "arising with a clean soul from the mud," why can't we, people's cadres in the age of socialism do the same! Moreover, aren't there actually in society a large number of people who are honest in performing their official duties, and respected by others? Those who sell their souls are only a few, whom people simply loathe.

The third obstacle: The mentality of leaving things to chance.

Still others believe: I did all those things alone, in secret. Nobody will find out if I keep my mouth shut. Other things were carried out between me and somebody and the wall. "Only heaven and earth have knowledge about it aside from you and me." It is a matter of life or death between you and me, any leak of it will hurt nobody but you and me. Only a fool will let the cat out of the bag! Therefore, let them go on shouting slogans for clean government, we will continue our ill-gotten gains.

Such a mentality is naive and absurd. A popular saying goes: "What is done by night appears by day"; another saying goes: "Walls have ears." Both are golden sayings. Man's behavior, be it good or bad, acted alone or together with another person, will always leave some traces. There is always the book to find out about problems concerning money. Those who have the mentality of leaving things to chance think themselves very smart, in actuality, "all your clever calculations and intrigues have brought you nothing but your doom." The genuine smart guys are those honest people, who tell the truth, and do things above board. If you don't believe it, try to consult any book of history.

And the fourth obstacle: The mentality that the law will not go against a host of similar cases.

The reason why some people show no misgivings for their dishonest dealings lies in their view that when corruption is the fashion of the day, and involves the highers-up and grass roots, the law will not go against a host of such cases, and it cannot "hit hard at many," can it?

True, corruption and the pursuit of unhealthy tendencies are by no means individual phenomena of individuals, but it is just because it is so that such phenomena should never be made slight of, while the party and government are determined to eliminate corruption. No matter who, be he a senior cadre or at the grass roots, so long as he has committed corruption, bribery, or official speculation, he should be under investigation until everything is out. This is by no means a matter of "going against a host of similar cases," but to handle affairs according to the law.

Of course, there exist problems of refraining from abiding by the law in handling cases and not being strict with carrying out the law. For example, in some places, when a case was pinned down, the person concerned "made accusations" of a string of accomplices, and the case involved some bigwig, the authorities then closed the case halfway through the investigation, simply by stating that the case should not be taken as a precedent. Such a way of handling cases will not be tolerated by the party and the people. Recent reports on various cases severely cracking down on economic criminal cases show that this time it is "for real." Moreover, some people's desires are not easily satisfied, it is easy for them to slide down hill. Once they accepted presents, the next step would be accepting bribes, and eventually they were on

the way to corruption, and the road to crimes. Should the law and discipline tolerate these?

There are more psychological obstacles to building clean government aside from those mentioned above. For example, the mentalities of worrying about the consequences, being afraid of difficulties, disappointment, and refusing to accept one's fate. Here, we shall not list them all for analysis.

"A sore point in one's mind can only be cured with proper care of the mind." Psychological obstacles are generally ideological problems. The solution to ideological problems should rely on organizational education, by wakening up the person concerned to reality. But the more fundamental is for the person concerned to get rid of the problem himself. Through education, studying, and reviewing, he will make up his mind to eradicate corruption and to build clean government. When a person's case involves self-criticism, he should examine himself, and when it involves returning what he has unlawfully taken, he should do so. In this way, the people will be supportive, and the person concerned will get rid of the burden on his mind. In many cases, what are concealed under psychological obstacles to building clean government have gone beyond general problems, and they are economic law-breakers. Therefore, we must point out that those economic law-breakers involved in corruption, bribery, and speculation must give themselves up before the deadline set by the Supreme Justice Court and Procuratorate for leniency in handling their cases. They cannot afford to lose the chance and miss the deadline. Otherwise, they will be severely punished, then it will be too late for them to regret! Regarding those who have committed general economic errors, they should likewise promptly make a clean breast of themselves to their organizations or relevant departments, and to deepen their understanding. Their cases are different from economic law-breakers.

Article Promotes Anticorruption Fervor

HK1409030789 Beijing RENMIN RIBAO in Chinese
6 Sep p 1

["Today's Talk" column by Li Guang: "Brief Talk On 'Appetite For Anticorruption'"]

[Text] What is meant by "appetite for anticorruption"? To explain it in modern terms, it is the expectation value of anticorruption; to explain it in popular terms, it means that anticorruption is expected to be able to catch a big "tiger".

Following the rapid unfolding of the anticorruption struggle led by the party Central Committee, the issue concerning "appetite for anticorruption" has really become highlighted. Some comrades thought that it did not mean much if the cadres at section level who had been corrupt and taken bribes of tens or hundreds of thousands of yuan were caught, and the same applied to cadres at department and bureau levels. If the cadres at provincial and ministerial levels were caught, that meant

anticorruption was carried out "resolutely" and "thoroughly". If not, it was not "genuine" anticorruption. Such increasing appetite needs adjustment.

There is no doubt that we should carry out anticorruption resolutely and do it in accordance with the law. We should adhere to the principle that everyone is equal before the law. We should not make an excuse that corruption is inevitable. To tolerate evil is to abet it. We should not think that "senior officials cannot be punished." However, we need to have a correct estimation of the corruption phenomenon found in the party and government: First, overall party and government is good; most of the vast number of party members and cadres including the children of senior cadres are good or relatively good; second, it is true that corruption phenomenon is found in government; and the problems of some people are very serious and thus need to be resolutely punished. These two points of estimation conform to reality. If we do not adhere to these two points but adhere to the reverse side, that is, if we think that corruption is the main trend of the party and government and that it is good to have greater numbers of corrupt officials caught, and of higher ranks, then we are wrong. If we look at problems from this point of view, it is certain that we will draw pessimistic conclusions. Not long ago, some people accepted the misleading propaganda on "anticorruption" used by the planners of the turmoil and counterrevolutionary rebellion. The reason for their accepting the propaganda is related to the way in which they looked at the issue.

In order to recognize any matter, we need to seek truth from facts and to proceed from actual conditions. Anticorruption is no exception. We not only need to overcome the problem of having no "appetite" for anticorruption—the wrong trend of being uninterested—but we also need to adjust the excessive increase in "appetite".

State Council Appoints, Dismisses Diplomats

HK1509030089 Beijing RENMIN RIBAO in Chinese
8 Sep 89 p 2

[XINHUA report: "State Council Appoints, Dismisses a Number of State Functionaries"]

[Text] Beijing, 7 Sep (XINHUA)—The State Council recently appointed and dismissed a number of state functionaries. Zhu Qizhen was dismissed from the office of vice minister of foreign affairs; Guo Shicong [6753 0013 3827] was appointed to be consul general in Milan; Tang Fuquan [0781 4395 3123] was appointed to be consul general in Toronto; Zhu Qiusheng [4376 4428 3932] was appointed to be consul general in Houston; Chen Baoshun was dismissed from the office of consul general in Milan; Xia Zhongchen was dismissed from the office of consul general in Toronto; and Ni Yaoli was dismissed from the office of consul general in Houston.

Liaoning Leader Emphasizes Party Leadership*HK1309024189 Beijing RENMIN RIBAO in Chinese
6 Sep 89 p 1*

[Article by Quan Shuren, secretary of the Liaoning Provincial CPC Committee: "Party Leadership Is the Fundamental Guarantee for the Inevitable Victory of the Socialist Cause"]

[Text] With the whole party and the people of the whole country acting in the spirit of the 4th Plenary Session of the 13th Central Committee, we are welcoming the glorious day of the 40th anniversary of the liberation. In the past 40 years, our province's national economy and social development have achieved great and significant successes, especially in the 10-year construction, reforms, and opening up. The whole province has already completed an industrial complex in all departments, focusing on metallurgy, machine building, chemical industry, construction materials, light textile industry, and electronics. Since the standard of technology has been upgraded and the strength of the economy has grown, the gross national product, the national income, and the total output value are respectively 16 times, 15 times, and 99 times that of the early period after establishing the state. The backwardness of agricultural production has been changed and science, education, culture, and public health have achieved great development. The living standard of the people has been significantly improved.

In the 40-year course of the struggle, our province has achieved such successes, in the final analysis, because of the correct leadership of the party Central Committee; because party organizations at all levels and all Communist Party members have given full play to their role as a fighting force and models and vanguards on every front of endeavor; and because we have closely relied on a millions-strong industrial army leading the people of the whole province to implement the party's line, principles, and policies; and because we have carried forward the party's fine tradition of arduous struggle. Early in the fifties and sixties, the older generation of proletarian revolutionaries such as Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De, and Deng Xiaoping visited Liaoning many times and issued many particularly important instructions concerning major issues such as the construction of a heavy industry base, cooperating and developing the national economy, "lengthening the short leg in agriculture," and relying wholeheartedly on the working class managing enterprises. This showed the clear direction for socialist revolution and construction in our province.

Since the 3rd Plenary Session of the 11th Central Committee, Comrade Deng Xiaoping put forward the guiding ideology of building socialism with Chinese characteristics while the party Central Committee formulated the basic line of "one center, two basic points." Under the

guidance of this correct line, our province's party organizations at all levels have been bold in removing interference, adhering to the Four Cardinal Principles and to reforms and opening up, thus assuring that every undertaking in our province is continuing to advance steadily. The party organizations and all party members in the whole province have firmly maintained political unity with the party Central Committee and taken a clear-cut stand to resist and fight against the turmoil, thus maintaining the basic stability in the situation of the whole province and ensuring that the very few who intended to create big turmoil and counterrevolutionary rebellion in Liaoning failed to put their conspiracy into practice.

In reforms and opening up, the vast number of party members have been bold in exploration and implementation; they have justly and forcefully led the masses on the road of getting rich together and taken the lead in launching the "double-increase and double-economy" movement, thus effectively guaranteeing Liaoning economy's sustained, steady, and coordinated development. Whenever we encounter serious problems or there is a critical moment in which the masses are in great difficulty, the role of the fighting force of party organizations and of the vanguard and model role of party members are particularly resplendent. The incontrovertible facts have proved that party leadership and the vanguard and model of party members are the fundamental guarantee of the victory of each cause in our province.

In the past 40 years, we have suffered many setbacks. In the 10-year Cultural Revolution, "the party committees were kicked away and the revolution was carried out." This caused the organization of the party to suffer a lot of damage and brought the national economy to the verge of collapse. After Comrade Zhao Ziyang took charge of the work of the party Central Committee, party leadership faded and weakened, and bourgeois liberalization was supported and incited. As a result, our construction, reforms, and opening up in Liaoning were affected to a certain extent.

Forty years of historical experience tell us: Whenever we adhere to and strengthen party leadership, our cause will be successful and will advance; whenever we weaken and do away with party leadership, our cause will suffer setbacks and will fail. As a result, party leadership can only be strengthened, not weakened. This great truth, paid for in blood, we can never forget at any time.

For a period of time, some comrades were influenced by fading party leadership and thus doubted and wavered over the leading position and the role of the party during the new period. They believed that as economic construction was the focus, the leadership of the state power and administrative departments was adequate and the party was no longer the leading core; that as the separation of the party and administration was implemented, stressing the leading role of party organizations would affect the powers of administrative leaders; and that the party should not interfere with the work of the field of culture and arts or creative work, otherwise the freedom

of creation and performance would be affected. All these views violate the Four Cardinal Principles and do not conform to the national situation. Thus such views should be earnestly corrected. In each area and each level, the political core role of the party should be given full play. In recent years, the party's building has been weakened and the party's prestige has been reduced. We need to make great efforts in putting an end to this situation very quickly. Strengthening the building of the party should be put on the important agenda. We must manage the party strictly, advocate clean government and eliminate corruption, obtain trust from the people by actual actions and thus strengthen the coherence, attraction, and combat strength of the party. In this way, the construction of Liaoning as a base for socialist modernization will be speeded up and the province will make new contributions to the construction of socialist modernization of the whole nation.

Commission Measures To Benefit Ethnic Minorities

OW1509081889 Beijing XINHUA in English
0659 GMT 15 Sep 89

[Text] Beijing, September 15 (XINHUA)—The Chinese State Nationalities Affairs Commission will take six measures to benefit the 55 ethnic minorities in China on the occasion of the 40th anniversary of the founding of the People's Republic.

Ismail Amat, minister of the State Nationalities Affairs Commission, announced the six measures which deal with economic and cultural activities.

A national conference on alleviating poverty in China's minority nationalities areas will be held later this month. The conference will be held to promote economic development and strengthen national unity and stability in border areas.

At an October 1st National Day Festival of Minority Nationality Arts, actors and actresses of 55 ethnic minorities will perform on Beijing stages for the first time.

A delegation of minority nationalities will be organized to tour the country.

An exhibition of high quality and famous brand products from the minorities areas will be held.

Certificates honoring people who have been engaged in work for minority nationalities for 30 and 40 years will be awarded.

Ismail Amat also said the situation in minority areas is good and the economy in the areas is developing steadily.

Minority Nationality Specialists Trained

OW1409045689 Beijing XINHUA in English
1459 GMT 13 Sep 89

[Text] Beijing, September 13 (XINHUA)—In the past 40 years China has trained more than one million minority nationality specialists, scientists and technicians in various fields.

The country has set up 101 higher learning institutions in the autonomous regions teaching more than 50 subjects. Meanwhile, many minority nationality students have been sent abroad for further study.

According to preliminary statistics, more than 130,000 such students are now studying at higher learning institutions in the country's autonomous regions and 13 million are studying at secondary and primary schools.

The Jiro nationality, one of the country's smallest nationalities, lived in the stage of primitive society before 1949. Now nearly every school-age Jiro child attends school, and there are 24 university students for every 10,000 Jiro people, above the average level in the country.

Minister Cui Naifu Reports on Relief Work

HK1409034989 Beijing RENMIN RIBAO in Chinese
7 Sep 89 p 1

[Report by Wu Xuelin (0702 1331 2651) and Sun Shaocheng (1327 4801 7488): "Civil Affairs Minister Says Socialism Has Eliminated Famine in China"]

[Text] Beijing, 6 Sep—Civil Affairs Minister Cui Naifu told reporters the other day that socialism has banished the "China of famine." Over the past 4 decades, our successes in disaster-relief work have attracted worldwide attention. The central government alone has directly provided 17 billion yuan in relief funds and over 200 billion kg in relief food. Every year the state banks issue large amounts of interest-free loans for living expenses and low-interest loans for production to disaster-stricken areas, and the tax departments give disaster-stricken areas tax deductions or exemptions. The party and the government have led the masses in vanquishing one serious natural disaster after another. This has played an important role in ensuring the people's life and security, alleviating social contradictions, maintaining stability and unity, developing production, and bringing prosperity to the economy, and has been widely acclaimed at home and abroad.

Since ancient times, China has been a disaster-ridden country. According to incomplete records of past dynasties, from the Shang Dynasty (16th century BC) to 1937, there were 5,248 major disasters, including floods, droughts, earthquakes, and plagues, an average of one every 6 months. In the colonial and semicolonial China ruled by the Kuomintang, there were even successive years of civil war, causing the people to live in dire poverty. The frequent disasters caused heavy losses.

Minister Cui said: Since the founding of New China, the party and the government have paid close attention to the work of fighting disasters and providing relief. We have increased disaster-prevention facilities and constantly strengthened our capability to fight disasters. Our country is subject to attacks by millions of natural disasters, big and small, every year. According to statistics, in ordinary years, over 600 million mu of our farm crops is affected by natural disasters and about 3 million private houses collapse, causing over 20 billion yuan in direct economic losses. Minister Cui said: Natural disasters and famine are closely related, but not all natural disasters bring about famine. This is determined by our performance in relief work. After the liberation of the whole country, the party and the government worked out correct disaster-relief principles and policies and brought into play the superiority of socialism. We have been able to prevent famine despite natural calamities and to ensure that the victims have food, shelter, and timely medical treatment. There have even been many moving scenes of people wresting bumper harvests in years of great natural disasters.

A great distinguishing feature of our country's relief work is vigorously launching activities to provide for and help ourselves by engaging in production with the guidance and support of the party and the government. According to a rough estimate, between 1980 and 1988, about 500 million people across the country took part in various activities to provide for and help themselves by engaging in production.

"When one place is in trouble, support comes from everywhere." This new socialist practice has been reflected and carried forward in our disaster-relief work. Over the past 4 decades, the total number of participants in the work of fighting natural disasters and providing relief has exceeded 6 billion. They have salvaged property worth tens of billions of yuan and reduced the losses caused by natural disasters to a minimum.

Stimulated by civil affairs departments in various localities, cooperative insurance in providing disaster relief is constantly expanding. Numerous kinds of mutual-aid and cooperation organizations at the grass-roots level, such as the "Grain Storage Association" and the "Mutual Aid Fund," are constantly developing.

Our country's international contact in disaster-relief work is also expanding day by day. According to incomplete statistics, in the past 10 years or so our country has accepted over \$50 million in disaster-relief aid from over 50 countries, regions, and international organizations.

Minister Cui Naifu emphatically pointed out: Since the founding of the PRC 40 years ago, our unprecedented successes in disaster-relief work have been attained under the leadership of the party and under the socialist system. Practice has proved that only socialism can save China.

Leaders Give Instructions on Primary Education

HK1509024389 Beijing RENMIN RIBAO in Chinese
8 Sep 89 p 2

[XINHUA report: "Wang Zhen, Li Tieying Attend Forum in Liaoning Provincial Experimental Primary School"]

[Text] Shenyang, 7 Sep (XINHUA)—Wang Zhen, vice president of the state, and Li Tieying, member of the CPC Central Committee's Political Bureau and minister of the State Education Commission, this morning cut the ribbon at the opening ceremony of the main teaching building of the Liaoning Provincial Experimental Primary School and held a discussion meeting with some teachers there. The leaders encouraged the teachers to do a good job in improving elementary education and conducting ideological, political, and moral education among the pupils, because primary school education is the foundation in education as a whole. The leaders said that the pupils should love the CPC, love the socialist motherland, love the People's Liberation Army, and develop themselves comprehensively in the moral, intellectual, physical, aesthetic, and labor aspects.

Liaoning Provincial Experimental Primary School was founded in 1957. In order to improve its teaching conditions, the provincial government allocated 1.6 million yuan to build a new 5-story teaching building with a total floor space of 4,700 square meters for the school. Today, the 1,300 pupil, teachers, and staff members of the school jubilantly celebrated the opening of the new teaching building.

At the discussion meeting with teachers, Wang Zhen said that in the primary school, importance should be attached to education in a correct outlook on life and the world among pupils. Ideological education in primary schools should proceed from patriotic education and extend to education in the communist ideal.

Li Tieying required the experimental school to seek successful experience in conducting political, ideological, and moral education and conducting "three-love" education among pupils. He said that primary school pupils should also be asked to do some physical work so that they will love labor and cultivate a good habit of working hard and plain living. The pupils should not be allowed to behave like a prince or a princess at home while being a model in school. Li Tieying encouraged the teachers to better fulfill their task of enlightening the soul of the pupils. He said that pupils should have a feeling of happiness in living under the socialist system and should grow up healthily and develop comprehensively.

Attending the opening ceremony of the new teaching building in the experimental school and the discussion meeting also included Huang Zhen, a member of the standing committee of the CPC Central Advisory Committee, Liao Hansheng, vice chairman of the Standing Committee of the National People's Congress, Wu Shaozu, minister of the State Sports Commission, Quan Shuren,

secretary of the Liaoning Provincial CPC Committee, and Li Changchun, Liaoning provincial governor.

Vocational Education Continues Growth

HK1209004289 Beijing CHINA DAILY in English
12 Sep 89 p 1

[By staff reporter]

[Text] Vocational schools—emerging as a key component in the nation's educational structure since the reform began in 1978—are today enrolling about half of the country's secondary students.

This year, more than 40 percent of China's senior middle school students are receiving vocational training. And in many cities, the ratio is as high as 50 or 60 percent, according to a recent report released by the State Education Commission.

Vocational education, which plays the essential role of linking the job demands in society with the professional training of the students, has become popular in both the urban and rural areas.

By the end of 1988, there were about 5.56 million students studying in these schools. Figures for this year are still unavailable.

The report says that the educational structure was adjusted according to the demands of economic and social development.

For instance, engineering vocational schools used to take a lion's share of students. But the number of agricultural, commercial, service industries and financial and economic schools have increased since 1979.

For example, there were 164 financial and economic vocational schools nationwide in 1976, enrolling 45,900 students, and figures rose to 548 and 338,200 respectively in 1988, according to the report.

Vocational schools, designed for students who failed or were unwilling to go to senior high school, have played their role in training qualified workers for social and economic development.

At present, many junior middle school students in urban areas want to get a job as soon as possible. Some fear that, if they go to college, they might be assigned to work in other places rather than their home cities. Thus their best bet is to study in vocational schools.

In the past 40 years, about 15.55 million students have graduated from these vocational schools, the report discloses.

It says that vocational schools have become "an important base to foster technicians, skilled workers and other specialized talents."

In the vast rural areas, with about 80 percent of the total 1.1 billion population, vocational education has also proved attractive.

There were 6,642 agricultural vocational schools throughout the country in 1988.

These schools are a great help in lifting farmers out of poverty and in rural economic and social development.

Earlier this year, Li Tieying, minister in charge of the State Education Commission, said that vocational training was a key link in developing the country's education.

Li said that China would run several hundred high-level vocational schools in the immediate future.

This work, he said, would be done through remoulding the existing special and technical secondary schools.

Li called for efforts to establish a system of junior, middle and senior-level vocational education that combines with the work of eliminating illiteracy.

Military

General Denies Discord Between Armies

HK2109065289 Beijing ZHONGGUO XINWEN SHE
in Chinese 0313 GMT 21 Sep 89

[Report: "General Xu Xin Refutes the Rumor That 'Troops Fought Each Other'"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 21 Sep (ZHONGGUO XINWEN SHE)—During an interview by Thai SIN CHUNG YUAN PAO reporter Ho Yun a few days ago, General Xu Xin, deputy chief of staff of the Chinese People's Liberation Army [PLA], revealed that troops from the 38th and 27th Armies performed their duties together in cleaning Tiananmen Square.

General Xu Xin made the above remarks in answer to rumors that "Chinese troops fought each other." To find out about the facts of the "4 June" incident, Thai SIN CHUNG YUAN PAO reporters Li Hsing and Ho Yun visited Beijing from 9 to 17 August and interviewed General Xu Xin and senior Colonel Li Ziyun, commander of the martial law enforcement troops.

Xu Xin said smilingly that the assertion of Chinese troops fighting each other was a groundless rumor. Chinese troops are quite united and will act upon orders immediately. This was so before the rebellion was put down and is even more so now. The PLA is commanded by Deng Xiaoping and Yang Shangkun and is quite united. Rumors spread abroad that troops from different armies contradicted each other. This is nonsense.

Xu Xin emphatically pointed out that it is impossible for differences to arise in the PLA because it is highly

disciplined and the Chinese structure does not allow differences to crop up in the PLA.

During his stay in Hong Kong, Chinese author Liu Binyan predicted that serious turmoil would occur in 2 years because of contradictions between the government and the PLA. Xu Xin pointed out that his assertion was utterly groundless. Some foreign countries use him because he can be used to fabricate rumors. Wuer Kaixi is the same. If he does not talk nonsense but tells the truth instead, he will be worthless to Western countries.

Based on what he had seen and heard in Beijing, Ho Yun published a series of articles in SIN CHUNG YUAN PAO under the title of "Fact-Finding Notes on the '4 June' Incident," to provide reference for readers to dispel their misgivings. In those articles Ho Yun provided detailed explanations on the background and occurrence of the "4 June" incident, including the cause of the development from a student movement into a turmoil and rebellion, the necessity of exercising martial law in Beijing, the purpose of the Western media in fabricating rumors, the purpose of stationing the martial law enforcement units in Beijing and what they have encountered, why tanks were used when the troops were moving into Tiananmen, and when martial law will be lifted.

Army Reviews Party Style, Discipline Status

HK2009131789 Beijing RENMIN RIBAO in Chinese
 16 Sep 89 p 1

[XINHUA dispatch from reporter Luo Yuwen (5012 3768 2429) in Beijing: "The Army Investigates High-Ranking and Middle-Ranking Leadership Groups"]

[Text] Beijing, 15 Sep (XINHUA)—A reporter has learned from the Discipline Inspection Commission of the Central Military Commission that the situation in party style and party discipline of all middle-ranking and high-ranking leadership groups of the whole Army is being investigated by their upper level party committees, discipline inspection commissions, and political organs. These are the effective measures adopted by the Discipline Inspection Commission of the Central Military Commission to step up the supervision and management of the middle-ranking and high-ranking cadres and to promote the building of the party style of leadership groups at all levels.

With the approval of the Central Military Commission, the discipline commission of the Military Commission issued to lower levels the "Provisional Regulations on the Implementation of the Party Style Responsibility System" in the second half of last year. The "Regulations" clearly and definitely point out that it is necessary to do well in regulating grasping at every level of responsibility the work of investigating the situation in the party spirit, party style, and party discipline of the party committees at and above the regimental level; this work should be regarded as a system of the building of party style. The Discipline Inspection Commission of the

Military Commission must also set demands on the aim, contents, and methods of investigation. Party committees at all levels have attached great importance to the investigation work and the principal leading comrades of some party committees have personally led teams to conduct investigations; some have allowed their political organs and discipline inspection commissions to conduct joint investigations; and some have allowed their discipline inspection commissions to conduct independent investigations under party committee leadership. The investigations are conducted with the focus on political discipline and the issue of honesty. The investigation work commenced in the second half of last year. Up to the present, the whole Army has completed investigating approximately half of the leadership groups at and above the divisional level, and achieved marked results.

—The experiences of a large number of good typical units have been summed up and disseminated. Judging from the situation in investigation, the leadership groups with good and relatively good party style and party discipline make up 92 percent of the groups already investigated. They have done better in the aspect of upholding the party's political discipline, implementing the party's principle of democratic centralism, setting strict demands on themselves, and being honest in performing their official duties. According to incomplete statistics, since the second half of last year, the whole Army has publicized a large number of cadres and 41 leadership groups at and above divisional level for taking the situation as a whole into consideration, laying stress on unity, abiding by the rules, and being honest and upright.

—A number of cases of serious unhealthy trends and violation of discipline have been investigated, corrected, and dealt with. In the course of investigation, it was found that some leading cadres had violated regulations on housing and use of cars and had sought personal privileges. Some had taken advantage of their functions and powers to seek special treatment in the issues of work transfers, promotions, and conferment of titles on their children and family members. Some had given and accepted dinners and gifts and indulged in extravagance and squandering. Some had even greedily possessed public funds and public articles, committed graft, received bribes, and so on. Once they discover a case of an unhealthy trend or a violation of discipline, all units must immediately correct, investigate, and deal with it. The General Political Department and the Discipline Inspection Commission of the Military Commission alone have sternly dealt with the problems of seven high-ranking cadres and issued a circular on them to the whole army since last year.

—Individual leadership groups with more problems have been rectified. Many units have paid attention to regarding the course of investigation as the course of assistance and promotion. As to the individual leadership groups with more problems, after clearly understanding the situation and discovering the reasons, the

investigation groups seriously helped the units that were being investigated to carry out the necessary rectification of ideology, organization, discipline, and work style. As two standing committee members of a group army made serious mistakes, they were dismissed of their posts in the party and punished by reduction to lower administrative ranks. The military region investigation groups reported to all members of the party committees the results of investigations and the unhealthy trends and corrupt problems vehemently reflected by the masses in the course of investigation, helped them conduct criticism and self-criticism, and seriously summed up experiences and lessons. Furthermore, the former and the latter studied and formulated specific measures for rectification. After the leadership group of the group army was rectified and adjusted, progress has been made in the building of its party style.

Air Force Conducts Jungle Rescue Drills

HK2009100289 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0248 GMT 18 Sep 89

[Report: "Chinese Air Force Conducts First Rescue Drills in Tropical Jungles"—ZHONGGUO TONGXUN SHE Headline]

[Text] Hong Kong, 18 Sep (ZHONGGUO TONGXUN SHE)—In recent days, the Chinese Air Force succeeded in conducting its first rescue drills in tropical jungles in the southern part of Yunnan.

The natural environment in tropical jungles is complicated and constantly changing. It creates difficulties for parachuting, reconnaissance flights, and the survival of aviators after ejecting. During the 20-day drill in the southern part of Yunnan Province, aviators jumped from transport planes and dropped in jungles stretching over several hundred li in length. They conducted 3-day survival drills independently in the jungle. They erected tents, picked wild fruit, and hunted wild animals. In the meantime, fighter and reconnaissance planes conducted searches. Once the search pilots found the aviators they ordered helicopters to fly to the spot and to hover while rescuing them. The drill was successfully completed according to the original plan.

Before this, the Air Force had already conducted rescue drills in deserts, rivers and lakes, highlands, and so on.

East China Sea Fleet Completes Drill

OW2009115989 Beijing XINHUA in English 0908 GMT 20 Sep 89

[Text] Beijing, September 20 (XINHUA)—The East China Sea Fleet of the Chinese Navy has recently completed a four-month long drilling voyage in a distant sea area since early May, the overseas edition of the "PEOPLE'S DAILY" reported today.

Composed of combat vessels, submarines and comprehensive supply ships, the formation traveled a distance of 57,000 nautical miles in the drill.

The fleet has succeeded in performing reconnoiter, scouting and attack drills in the complicated sea area dotted with islands and reefs.

Nie Kuiju, commander of the fleet and vice admiral, said that such intensified drills will continue to be carried out in the future.

Beijing TV Reports on Unity Program

OW2009015989 Beijing Television Service in Mandarin 1000 GMT 11 Sep 89

[From "National News Hookup" Program]

[Text] [Video opens with closeup of Li Yaowen, political commissar of the PLA Navy, addressing a meeting attended by naval personnel and civilians in a large hall with a horizontal scroll reading "Meeting of the Navy to Exchange Experience in Promoting Army-Government and Army-Civilian Solidarity" hung above the rostrum where dozens of people are seated. Video cuts to pan shots of audience, including people in uniform and others in civilian attire]

A 5-day Navy meeting to exchange experiences in Army-Government and Army-civilian solidarity ended in Weihai City on 9 September.

Li Yaowen, political commissar of the PLA Navy, said: The meeting has been lively and rich in content and has met our expectations. He said: Army-civilian unity is a fine tradition of our party and Army; and Army-Government and Army-civilian solidarity is our political strong point. It is necessary to earnestly carry out the work of "supporting the Army and cherishing the people" down to grassroots, to modestly learn from the local governments and the masses, to effectively popularize the experiences of the Weihai Marine Garrison Area and other advanced units in promoting Army-Government and Army-civilian solidarity, to include strengthening Army-Government and Army-civilian solidarity in the unit agendas, while combat readiness, military training, scientific research, teaching and learning, and other tasks are being fulfilled, so that the work of promoting Army-Government and Army-civilian unity becomes a regular task.

[Video cuts to closeup of Jiang Chunyun, secretary of Shandong provincial party committee, addressing the audience]

Jiang Chunyun, secretary of the Shandong provincial party committee, said: Over the past many years, the PLA naval units stationed in Shandong have made tremendous contributions to Shandong's socialist material and spiritual civilization. The people of Shandong will never forget the PLA's active support.

[Video cuts to shots of Li Yaowen presenting prizes to representatives from advanced units]

At the meeting, 69 advanced PLA naval units and individuals in promoting Army-Government and Army-civilian solidarity were commended, and 13 advanced local units and individuals in "supporting the Army and Government" of Weihai City were presented banners and prizes.

Economic & Agricultural

Wang Bingqian on Overcoming Economic Difficulties

OW1509043289 Beijing XINHUA Domestic Service
in Chinese 2130 GMT 14 Sep 89

[By reporter Ding Jianming (0002 1017 6900); "Local Broadcast News Service"]

[Text] Beijing, 14 Sep (XINHUA)—Wang Bingqian, state councillor and concurrently minister of finance, emphasized here today that in view of the current state financial difficulties, everybody is urgently required to make determined efforts to lead an austere life for a few years.

Wang Bingqian said: Since the introduction of the reform and opening policy, China has scored remarkable achievements in its financial revenues. According to the 1988 statistics, revenues from state budget sources were 248.9 billion yuan while those from extrabudgetary sources amounted to 236 billion yuan; the total of 484.9 billion yuan revenues from both budgetary and extrabudgetary sources showed a more than threefold increase over those of 1979. However, we must also notice that state finance is still confronted with many difficulties.

Wang Bingqian stressed: To overcome the financial difficulties, it is necessary to resolutely carry out the retrenchment policy and make determined efforts to lead an austere life for several years. Efforts must be made to readjust the spending structure by cutting down on excessive items in spending and by focusing on key construction projects. In order to ensure stable and balanced state finance, it is necessary to adhere to the principle of doing things within our financial capabilities and keeping expenditures within the limits of income, as well as to speed up legislation in the financial and taxation fields. Moreover, it is also necessary to continue to carry out the "double increase and double economy" campaign, to make relentless efforts to stop deficits of enterprises and increase their income, and to earnestly solve the problems of increasing the excessively low base for contracting enterprises and of including both profit and deficit in contracts.

Rectification of Rural Enterprises Viewed

HK1809091689 Beijing NONGMIN RIBAO
in Chinese 5 Sep 89 p 1

[Article: "The Aim of Readjustment Is Better Development—on Issues in the Current Improvement and Rectification of Township and Town Enterprises"]

[Text] Recently, with the in-depth development of economic improvement and rectification, in light of the central instructions, a number of township and town enterprises in various localities were closed down, suspended, merged, or shifted to produce other goods, because they contended for energy and raw materials with large state enterprises or wasted power and raw materials. Some comrades and some departments are now perplexed and worried about the position, role, and prospects of the township and town enterprises. Some comrades previously did not like township and town enterprises, and they now take a one-sided approach to Comrade Xiaoping's remarks about township and town enterprises and think that township and town enterprises must now be reduced, so they order the subordinate localities to close down a certain number of township and town enterprises without giving consideration to the concrete conditions. Some comrades are now rather pessimistic about the prospects of the township and town enterprises, thinking that the game is over, so they fail to give necessary support to those that should be supported and lack enthusiasm for doing what should be done. Some sales representatives of township and town enterprises simply refuse to run errands for their enterprises.

In our opinion, township and town enterprises are now facing an unprecedented period of adjustment, and the appearance of the above-mentioned ideas is quite natural. The crucial point is whether we can accurately understand the spirit of Comrade Deng Xiaoping's relevant remarks in an all-round way and accurately understand the party's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee in an all-around way, thus realistically analyzing the current conditions of various township and town enterprises, firmly carrying out economic improvement and rectification, and promoting the steady and healthy development of the township and town enterprises through rectification.

Since the policy for reform and opening up was adopted, Comrade Deng Xiaoping has always cared for and supported township and town enterprises. In 1984, Comrade Deng Xiaoping pointed out: "We should first solve the problems in the countryside where 80 percent of the population is inhabited.... Without laying a solid and stable foundation in the countryside, no matter how beautiful we build the cities, things in our country are still not handled properly. Therefore, we should first solve the problems in the countryside, pursue a relaxed policy to enliven the rural economy and to arouse the work enthusiasm of the rural residents that account for 80 percent of the population in our country." In 1986,

Comrade Deng Xiaoping explicitly pointed out: "The whole world is now facing the same employment issue. The successful rural reform has brought about a situation in which agriculture is integrated with industry. The rural economy is now diversified and many industrial enterprises are developed in townships and towns. This can absorb surplus labor force. This is an important point in our successful experience." In 1987, when talking about rural reform, Comrade Deng Xiaoping emphatically pointed out: "The greatest achievement beyond our expectation is the development of township and town enterprises, whose emergence has promoted the commodity economy. Various small enterprises have formed a new force in our national economy." Comrade Deng Xiaoping's speeches on many occasions showed that he always supported and encouraged the development of township and town enterprises. His recent speech about township and town enterprises mainly means that these enterprises should be better developed through adjustment with the poor being closed down and the good being kept.

Township and town enterprises were developed after the 3d Plenary Session of the 11th CPC Central Committee. They are the product of the policy for reform, opening up, and economic invigoration and the inevitable outcome of the new rural productive forces in a certain stage of development. They develop as the urban and rural economies depend on each other, infiltrate each other, and promote the development of each other. According to the State Statistical Bureau, in 1988, the output value produced by township and town enterprises accounted for 24 percent of the total output value in all social sectors of the whole country, and accounted for 58 percent of the output value in rural society. The relevant data also showed that in nearly 10 years, township and town enterprises paid more than 83 billion yuan of taxes to the state. In the period between 1985 and 1987, 89.3 percent of the net increase in the state's tax revenue was contributed by township and town enterprises.

As an important component part of the rural economy, township and town enterprises now contribute to one-third of total social production in some localities or even contribute to one-half of total social production in other localities. In many counties, cities, and prefectures, the contributions made by township and town enterprises hold an important position in local financial revenue. If all township and town enterprises are closed down, local economies will be seriously affected, and the overall economic situation will also be seriously affected. Therefore, we should not approach township and town enterprises from a simplistic point of view and should not close down them completely without discrimination. It is also wrong to think that township and town enterprises will get nowhere and will come to an end soon.

It should also be noticed that most township and town enterprises have been run for a short time and their foundation is still rather weak. They inevitably have obvious defects and imperfections. For example, they may blindly develop the production of the same goods,

thus causing duplicated development, and they may not develop their production in light of the supply of raw materials and the market demand. To a certain degree, they contend for energy and raw materials with large state industrial enterprises, cause environmental pollution, and fail to ensure product quality. It is hard to avoid all these problems in the initial stage of rural industrialization. On the other hand, these problems were also related to the "overheated" economic conditions in the whole country and to the influence of the development strategy with lopsided stress on quantity. The financial contract system and the responsibility system which requires cadres to achieve certain "results" in their work also have a negative impact on the performances of the township and town enterprises. So, we should understand that it is a necessary and timely step to carry out Comrade Deng Xiaoping's instruction on adjusting the developing pace of all township and town enterprises, and this will create better conditions for them to develop to a new stage.

It is proposed that all localities should seriously analyze the conditions of township and town enterprises in their areas, and sum up their experience and find out their problems. Then, they should decide which trades and products can be further developed and which trades and products should be restrained from further developing. Those that go against the state's policies should be suspended and closed down. In short, the township and town enterprises should be screened and classified. In general, those that produce parts for large industrial enterprises in cities should be supported and be allowed to further develop; labor-intensive enterprises that produce export goods without consuming too much energy and have sufficient supply of raw materials should be supported and allowed to further develop, because they can provide more jobs and enable the local masses to get rich; enterprises engaged in basic industries such as quarries, coal mines, and other mining undertakings have great development potential because they will supply important raw materials for other industries; and enterprises offering services to agriculture or processing agricultural products are also needed in the countryside. In short, rural enterprises that do not contend for key materials in short supply with large state enterprises, do not waste power, do not go against the state's economic policies should be allowed to further exist and develop. However, those engaged in projects that are now banned by the state should be resolutely closed down, suspended, merged, or shifted to produce other goods. Through economic improvement and rectification, we should set aright the guideline for developing township and town enterprises. Though the pace of development may be slowed down for a time, so long as the development orientation is correct, there will be steady development in the long run.

Report Cites Enterprise Screening Results

HK1809133089 Beijing RENMIN RIBAO in Chinese
30 Aug 89 pp 1, 2

[XINHUA report: "Report by the Director of State Administration for Industry and Commerce, Ren Zhonglin, to National People's Congress: Self-Inspection and

Key Spot Checks on Companies Have Achieved Preliminary Results; Screening and Consolidation Drive Now Progresses to the Stage of Sorting out and Organizational Building"]

[Text] Beijing, 29 Aug (XINHUA)—By the end of June this year, the self-inspection and key spot checks on various types of companies had basically concluded, with spot checks accounting for 47 percent of the total number of companies, and the work of company screening and consolidating has entered the phase of sorting out and organizational building, this was revealed by Ren Zhonglin, director of State Administration of Industry and Commerce, in his report on companies' screening and consolidation to today's 9th Session of the National People's Congress Standing Committee.

Reng Zhonglin said, the companies which pass the screening will be registered anew by industrial and commercial administrative organs subject to strict annual inspections.

Preliminary results have been achieved following the earlier phase of self-inspection and key spot checks, he pointed out.

1. The problems of party and governmental organs involvement in business and enterprise activities have basically been sorted out and stopped. By the end of June this year, 6,481 companies run by party and government organs at various levels across the country had been either revoked or merged; 10,386 had had their finances "unhooked" from party and government organs, and 1,063 transferred to relevant departments. The total number of companies in these three categories reached 17,930, representing 90.5 percent of the total number of companies run by party and government organs. Meanwhile, of the 4,104 companies run by mass organizations and social groups, 3,044 had been either revoked, merged or had their finances severed from party or government organ connections, representing 74.2 percent of the total number of companies run by mass organizations and social groups. Screening is being continued in companies not yet revoked, merged or undergoing disconnection.

2. The problems concerning party and government cadres and retirees working full-time or part-time for companies have also been basically solved. Prior to the screening and consolidation drive, a total of 47,956 incumbent or retired cadres in party and government organs at or above the county level worked part-time for companies (enterprises), or had offices in companies. By the end of June this year, in accordance with the relevant regulations of the party Central Committee and State Council, 42,952 incumbent or retired party or government cadres had resigned either from companies or from party or government organs. The figure represents 89.6 percent of the number of cadres involved in company business. While most of the cadres resigned from their company posts, a small number resigned from their party

or government posts, or stopped receiving party or government living benefits. Of the full-time or part-time working cadres who have not yet resigned from "either one of the jobs," except for the reason of a slack procedural work, some have stayed in their company posts waiting for the expiration of their contracts with enterprises or with Chinese-foreign joint ventures; some because they are the legal representatives to their enterprises, and need some time to wrap up business such as financial claims and debt affairs.

3. The problems of commercial companies still having administrative functions has been resolved. By the end of June, 4,884 companies—or 45.9 percent of such companies in the country—had given up their administrative functions, among which 1,255 had been revoked or had stopped operations, 2,730 relinquished their governmental administrative functions, and 899 stopped operations altogether. The problem of administration blending into commercial operations in some of the central state organs are now being tackled through the implementation of reform programs in various departments. And for the small number of companies empowered with governmental administration, the relevant departments are examining, determining, or clarifying according to the regulations of the party Central Committee and State Council, their functions and scope of commercial activities.

A number of companies which have broken laws or disciplines have been investigated and tackled. As of the end of June, 25,884 law- or discipline-breaking cases had been unearthed, 25,404 companies were involved, and of this number, 12,750 were investigated and 10,303 settled, the rate of settlement was 80.8 percent. During the investigation, 9,534 companies received economic punishment—fined to the tune of 260 million yuan in total, and 2,871 saw their business licences suspended, 476 cadres were chastised by party or governmental discipline, and another 301 criminally punished for corruption, graft, or bribery. The State Council's office for large-scale inspection on tax, finances and prices, together with relevant departments, had launched key inspections on 100 national companies under the various departments of the party Central Committee and state organs, and uncovered 1.13 billion yuan of illegal money, with over 730 million of it payable to the state; and over 450 million of it has been returned the government coffers.

5. A number of companies have been revoked, merged, or restructured. By the end of June this year, 22,819 companies had been revoked, 1,652 merged, and 12,320 restructured into other lines of enterprises for failing to qualify as a company, all 3 adding up to a total of 36,782 companies, 12.5 percent of the total number of companies. So far Hebei Province has revoked, merged, or restructured 3,246 companies, 23.5 percent of the total number of companies in Hebei. In central state organs, according to the arrangement by the four departments of chemical fertilizers, construction, traffic, and medicine, 31 percent of these companies have been slated to be revoked,

merged, or reorganized. Of the 194 companies under the light industrial department, 5 first-level companies and 48 at the second level have been slated for revocation or merging. The traffic department has determined to revoke or merge 47 companies, including the China Water Transport Engineering Consultative Company.

6. We have formulated some regulations at the policy level. In the work of company screening and consolidation, with reference to the situation at hand, the party Central Committee, State Council, and the relevant departments have formulated successively certain regulations at the policy level. These include the State Council's "Circular on Screening and Consolidating Companies Engaged in Foreign Trade," the "Circular on the Problems of Screening Party and Government Organ Cadres Working Part-Time for Companies (Enterprises)," and the "Regulations for Ranking Cadres and Retirees (or those not in office) at Party or Government Organs Above the County-Level Concerning Joining Business or Running Enterprises," issued by the party Central Committee's General Office and State Council's General Department; and the State Council-approved, State Administration for Industry and Commerce's "Circular on Company Annual Inspection and Problems of Company Re-registration," the financial department's "Regulations on Screening and Consolidating Companies' Finances," and the "Circular on Examining Companies' Registered Capital in Company Screening and Consolidating," issued by the State Administration for Industry and Commerce, Financial Department and Auditing Bureau, and so on.

7. We have examined and audited the five companies such as Kanghua and CITIC and tackled their illegal business activities. Acting on the State Council's instruction, beginning in the second half of last October, the auditing department has successively conducted examination and auditing of CITIC, the Guangda Industrial Corporation, China Kanghua Development Corporation, China Industrial and Commercial Economic Development Corporation, and China Rural Trust and Investment Corporation. The results of the examination and auditing show that these five corporations have developed fairly quickly since their establishment, and have to various degrees played an active role in making use of foreign capital, importing technology, and equipment, and in foreign trade and economic development areas. But results also show that these corporations have engaged in many illegal operations. Handling has been decided according to the relevant laws: A total of 51.33 million yuan of tax payment, fines, and confiscated proceeds from illegal operations will be levied on the five corporations. And personnel responsible for the illegal operations are being dealt with by the relevant departments.

Reng Zhonglin said recently that the party Central Committee and State Council have decided to suspend the Kanghua Development Corporation and China Industrial and Commercial Economic Development Corporation, and to have China Rural Trust and Investment Corporation merged into the State Agricultural

Investment Corporation. Work groups have been sent to Kanghua and China Industrial and Commercial Economic Development Corporation to assist them in their rounding up affairs. The clearing committees, set up by the two corporations respectively, are responsible for clearing up capital and debt affairs, and organizing concerned units to carry on contracts signed with foreign or domestic parties.

Ren Zhonglin said that since last October, provinces, autonomous regions, municipalities, and various central departments have done a great deal of work in the screening and consolidating drive and achieved preliminary results. But because we underestimated the complicated nature and difficulty involved in the drive, our measures in the early phases were not sufficiently specific and powerful. This, plus the disturbance created by turmoil and counterrevolutionary rebellion, has caused the screening and consolidating drive to lag far behind the planned results. The problems in the current work are: 1) Many localities and departments are not sufficiently determined in suspending and merging companies. They look, prevaricate, and are slow in their actions. Also, some departments and localities did not grasp firmly some of the problems of a policy nature and failed to react in a timely manner with specific regulations, which has affected the implementation of suspending and merging operations.

Ren Zhonglin pointed out that recently the CPC Central Committee, State Council have made the decision that they must do several things of concern to the masses, one of which is to further screen and consolidate companies. To have a good and thorough grasp of this work, the CPC Central Committee and State Council have issued the "Decision on Further Screening and Consolidating Companies," which sets new plans and new requirements.

1. Localities and departments must be resolved to suspend or merge a batch of companies ill-suited to social needs, overlapping in their facilities, not having conditions for business operation, engaged in serious law-breaking business activities, and those long suffering from unsatisfactory operations, losses, and those whose debts are larger than their capital. Most of the companies set up and operated by party and government organs at various levels, mass organizations, and social groups must be slashed, whether their finances have been cut off from government organs or social groups. The number of companies and financial companies in the circulation region, engaged in commercial wholesale sectors, foreign trade, and material supply is just too many, they should be suspended. And this is one of the work focuses and basic requirements in further screening and consolidating companies in the future. Localities and departments should formulate programs of suspending and merging in accordance with the CPC Central Committee's and State Council's decision. Three things must be done well for those companies suspended or merged: 1) A clearing unit, set up by the administrative department, will be responsible for clearing credit, debt, and capital affairs. This is to prevent, strictly, diversions of funds,

and property from being privately divided, wastage, and extravagant spending—in short to protect the state against unnecessary economic losses. 2) Contracts signed by companies suspended or merged, especially contracts signed with foreign partners, must be fulfilled. This is to maintain the economic order and goodwill to foreign businessmen, and to protect their legitimate rights and interests. 3) Political ideological work for personnel of suspended or merged companies must be well prepared. These personnel must be properly settled. The settlement work must be done in a coordinated fashion. The mission to suspend and merge companies must be basically completed before the end of this year. Suspended or merged companies should report to their local Administration for Industry and Commerce, where they obtained their original registration, to rescind or renew their registration.

2. Seriously investigate and handle law- and discipline-breaking cases, especially those involving leading party and government cadres and their immediate relatives abusing their powers to procure personal interests, participating in serious cases such as speculating on important production materials or durable consumer goods in high demand.

We must uphold the principle of relying on facts and appealing to law as the only standard. We will investigate whichever company and whoever is dubious. No one is above the law. Whoever breaks the state law and rules and regulations must be thoroughly investigated and handled according to the law. Companies which have broken any laws, if they actively investigate and report on themselves before the deadline set by state judiciary organs; and likewise persons who have committed graft, corruption and speculation, if they confess to their crimes and surrender themselves, return the bribes or embezzled money—these companies and persons may receive lenient treatment, have their sentence commuted or waived according to the law. Otherwise they will be severely punished according to law. Cooperation among departments should be strengthened in investigating illegal cases. Cadres acting as the legal representatives of law-breaking companies, and persons responsible for their own crimes, will be given party or government disciplinary punishment if their crimes break party or government disciplines, and criminally charged if they have broken any criminal law. Cases to which the masses react strongly, and which run into enormous resistance, will be thoroughly investigated by work groups specially dispatched by high levels. Those putting in nice words to defend the culprits, or providing refuge to them in the course of investigations, will be publicly exposed and severely dealt with. The masses must be mobilized and encouraged to complain and to expose. The results of the investigation of a typical case should be publicized in a timely manner. 3. Establish a sound system, strengthen management, and perfect rules and regulations. Companies surviving this round of consolidation will be subject, according to the law, to annual inspection and new registration by the Administration of Industry and Commerce at various local levels, with their operation scope

and methods strictly specified. Private investment enterprises under the label of state-run and collective companies should be subject to strict screening, with a view toward determining their real ownership nature. Those failing to satisfy the specifications will not be issued new registration. The State Council has ordered relevant departments to formulate the necessary regulations and systems concerning a company's finance, personnel, wages, bonuses, and welfare and such issues. Departments such as industrial and commercial administration, finance, taxation, banking, price, auditing, and supervision must strengthen in a practical manner management, direction, supervision, and inspection on various types of companies. During the period of company screening and consolidation, except for companies of production and scientific and technological development-type, the temporary suspension of issuance of new companies remains effective. From now on the establishment of a new company, especially one involving commerce, foreign trade, and material supply of financial companies, will be subject to strict examination and approval according to law. Both the State Council and National People's Congress attach great importance to the problems of company legislation. At present relevant departments, in accordance with State Council's instructions, are stepping up efforts in formulating and perfecting relevant company rules and regulations, in drafting and promulgating as soon as possible rules on company management, with the aim of step by step normalizing and institutionalizing the company's examination, approval, and management systems.

4. Strengthen in a practical manner organizational leadership. The key for the work of further screening and consolidating companies to achieve desired results lies in leadership. The party Central Committee and State Council have set up a leading unit for a national company screening and consolidation drive. Localities and departments should likewise strengthen leading and executive organs, heighten understanding, unify thinking, dispel disturbances, and continue to take a good grasp of formulating a program for suspending, merging, or preserving companies, of the examination and approval work, and of the work to implement them. Supervision and investigation should be strengthened in localities and departments where the screening and consolidation drive has been slow. Companies slated to be preserved, including those which already renewed their registrations and have been subject to annual inspection—these companies must undergo review on an individual basis. We must fulfill the mission to further screen and consolidate companies. The CPC Central Committee and State Council request all central state organs to take the lead and set a good example. Localities and departments will practise a provincial-governor (chairman for an autonomous region and mayor for a municipality) and ministerial responsibility system.

Inner Mongolia Emerges as Energy Production Base

HK2009044389 Beijing RENMIN RIBAO in Chinese
14 Sep 89 p 4

[Article by Wei Youlin (7614 0645 2651): "An Energy Production Base Emerges on the Grassland in Inner Mongolia"]

[Text] In the past 4 decades since the founding of the state, with the vigorous support of the state, the energy industry of Inner Mongolia has developed from scratch and from weak to strong, and a comparatively perfect industrial system has been established. More than 10 large and medium-sized energy production projects have been established, making the region an important new energy production base of our country.

The Inner Mongolia Autonomous Region is rich in energy resources. The area in which there are coal resources reaches 100,000 square km, with a proven deposit of 217 billion tons, equal to one-fourth of the national total. The prospective deposit is 1,200 billion tons, second only to Xinjiang. There are 15 large coal mines in this region, each with a deposit of 5 to 10 billion tons. In addition, there are rich underground water resources and 800 km of Huanghe running through the region, providing favorable conditions for building a large-scale hydropower station.

Over the past 40 years, the state has invested 8 billion yuan in this region for developing the energy industry. A total of 36 mines and opencut mines have been built and put into production, which are capable of producing nearly 40 million tons of coal annually, and 78 power plants, each with a capacity of more than 500 kw, have been established, the total installed capacity of which reaches 2,692,900 kw. By 1988, the region's annual raw coal output reached 3,734 tons, and its generated energy was 13.85 billion kwh. Since the 3d Plenary Session of the 11th CPC Central Committee, the state has taken energy production as a strategic stress in economic development. The region has achieved a rapid development in its energy industry since then. In the period between 1980 and 1989, the investment made by the state in the region's coal industry reached 2 billion yuan, which was higher than the total investment in the capital construction in the previous 30 years. Some large and medium-sized coal mines, including the Yiminhe, Huolinhe, Zhalaier, Dayan, Pingzhuang, Haibowan, and Wuda mines, have been built, resulting in an increase of 12 million tons of production capability. The investment in the capital construction of the power industry increased by 374 percent compared with 10 years ago, adding an installed capacity of 1.6 million kw to this industry. China's first 600,000 kw generating set was successfully established and put into production in 1985 by the Yuanbaoshan Power Plant in Inner Mongolia, and the two 200,000 kw generating sets of the Tongliao Power Plant were also established and put into production later in 1985.

Four of the five major opencut coal mine development projects of our country during the seventh 5-Year Plan period, the Yuanbaoshan, Yiminhe, Huolinhe, and Zhungeer mines, are in Inner Mongolia. The proven coal deposit of the Dongsheng coal mine on the Eerduosi Plateau reaches 95.2 billion tons, which is an extra-large coal mine China has verified in recent years. Now the design of 7 mines capable of producing 600,000 tons of coal a year has been completed, and 4 of them are under

construction. The quality of coal in the Zhungeer mine is very good, and the proven coal deposit there is 25.9 billion tons. The construction of this mine on a larger scale is expected to start next year. The work of installing four 200,000 kw generating sets in the Fengzhen Power Plant, which is independently designed and constructed by the region, was started in 1986, and the first generating set is expected to be completed and put into production within this year.

The proven oil deposit of the Erlian Oilfield now under construction is about 100 million tons. Now some 447 oil recovery and water flooding wells have been dug, and it is expected that the oilfield will have a capacity of recovering 1 million tons of crude oil next year. The 365 km-long oil pipeline between Aershan and Saihantala will be completed and put into production within this year. Preparations are being made for the Huhehaote Oil Refinery, capable of processing 1 million tons of crude oil annually, to go into operation.

According to the state plan on overall arrangement of energy production, by the end of this century, seven dynamic coal production bases, one coking coal production base, and one export coal base will be built in Inner Mongolia. The total coal output will reach more than 100 million tons. Inner Mongolia will thus become the second largest coal production base in our country. By the year 2000, a number of large-scale power plants will be built around the coal production bases, with a total installed capacity of more than 10 million kw.

Energy Production Approaches Annual Target

OW1409135989 Beijing XINHUA in English
1338 GMT 14 Sep 89

[Text] Beijing, September 14 (XINHUA)—China is hopeful of fulfilling its annual target of producing one billion tons of coal, with more than 660 million tons already produced in the first eight months.

An official from the Ministry of Energy Resources told XINHUA that with the additional amount of coal produced by rural small mines, the annual target will be hit if China keeps the monthly output of 86 million tons of coal in the remaining months.

Also in the first eight months, the total output of crude oil increased by 0.8 percent compared with the same period last year despite snow, rain and hailstorms that affected the output of some big oilfields. The output reached 660 million bbl, 65.2 percent of the annual target. The gas output was 9.7 billion cubic meters, an increase of 3.82 percent compared with the corresponding period of last year.

Electricity came to 379.3 billion kwh, 66.5 percent of the annual target or an increase of 6.6 percent compared with the period last year.

Experts say capital construction for energy which is lagging behind may hurt future production. The Ministry of Energy Resources is making efforts in this field.

Large Oil Reserves Estimated in Taiwan Straits

*OW1409112689 Beijing XINHUA in English
0958 GMT 14 Sep 89*

[Text] Beijing, September 14 (XINHUA)—Prospective oil reserves in a basin in the western part of the Taiwan Straits are estimated at about 9.1 billion bbl.

Overall research was done by a joint investigative team of the Institute of Oceanography of the South China Sea under the Chinese Academy of Sciences and the Institute of Oceanography in Fujian Province.

Scientists believe the quality of the oil under the straits is superior to that found on land in the Chinese mainland.

New Strategy Seeks Increased Materials Supply

*OW1509044189 Beijing XINHUA in English
0116 GMT 15 Sep 89*

[Text] Beijing, September 15 (XINHUA)—China's State Raw Material Investment Corporation (STRMIC) is planning a four-pronged move to ease the serious shortage of raw materials, according to today's "CHINA DAILY".

The strategy involves increasing investment, drawing up a list of key projects for completion by 1990, raising bank funds both at home and abroad and encouraging foreign investment and cooperation, said Zou Zeyu, vice-president of the corporation.

Zou believed that his company will invest no less than 13 billion yuan (3.5 billion U.S. dollars) to support the construction of the country's key raw material projects in 1990.

Established in 1988, the Beijing-based corporation aims to spur the nation's raw material industries. It is mainly designed to take care of key state projects by carefully budgeting the limited money available during this period of austerity.

Zou disclosed that the corporation is giving priority to the development of some major projects involving chemicals, petrochemicals and building materials.

The company is also concentrating on 30 major construction projects mainly involving non-ferrous metal and chemical industries, pharmaceuticals, steel and building materials, he said.

Despite a fund shortage in the first half of this year, the corporation has fulfilled its investment plan for the state priority projects.

By the end of July, the finished investment scale surpassed that of the same period last year.

Of the total, investment in 30 key raw material projects had been fulfilled. About 75 percent of foreign-funded projects were completed.

Steel Industry Expected To Yield 60 Million Tons

*OW1609011189 Beijing XINHUA in English
1405 GMT 15 Sep 89*

[Text] Beijing, September 15 (XINHUA)—China's steel and iron industry is expecting to turn out more steel this year than last year's 59.43 million tons, the Ministry of Metallurgical Industry told XINHUA today.

After a sharp decrease in steel yield in the first quarter this year, steel output is now steadily picking up.

According to statistics, China produced 39.28 million tons of steel in the past eight months, about 320,000 tons or 0.8 per cent less than that in the same period last year. In comparison, steel output in the first six months this year dropped by 800,000 tons against the same period last year.

Meanwhile, China produced 31.22 million tons of rolled steel from January to August, and last month saw 4.23 million tons of rolled steel turned out, nearly ten per cent more than that in August last year.

Experts here say that improvement of coal and electricity supply has helped the industry raise its production.

If energy supply keeps stable in the fourth quarter this year, experts believe, the industry will possibly yield about 60 million tons of steel.

Statistics Bureau Eyes Stronger Supervision Role

*OW1609053789 Beijing XINHUA Domestic Service
in Chinese 1200 GMT 15 Sep 89*

[“Local Broadcast News Service”]

[Text] Beijing, 15 Sep (XINHUA)—The State Council recently approved the State Statistics Bureau's "Report on Stepping Up Statistical Work and Giving Full Scope to the Supervisory Role of the Statistical Departments," and called on all localities and departments to implement it. The report envisions that the statistical departments will be turned into the principal source of information on China's social and economic development as well as a national economic accounting center.

The report said: In the next few years, China will speed up the building of a new national economic accounting system and establish an automated statistical information system to help improve macroeconomic regulation and control and promote the socialization of statistical information. The report also called on all localities and departments to deepen the reform of the statistical system and strengthen the construction of the legal system in the statistical field. Stern measures should be taken to deal with any activities to dodge or undermine

state supervision, resort to deception, or interfere with the efforts of statistical organs or personnel to perform their lawful duties.

Ministry Reviews Overseas Contracting Growth

OW1509064389 Beijing XINHUA in English
0606 GMT 15 Sep 89

[Text] Taiyuan, September 15 (XINHUA)—China now has more than 80 companies contracting engineering projects abroad and engaging in labor service cooperation in 118 countries and regions, according to a national meeting held in this North China city.

The meeting was sponsored by the Ministry of Finance to review the progress in the field in the past decade and discuss ways to improve overseas contracting and labor service businesses.

The meeting was told that the contracted value of the companies now totals 11.3 billion U.S. dollars, and their business volume reaches 5.89 billion U.S. dollars.

For the years ahead, the meeting urged the companies to tighten financial management and increase economic efficiency.

Key Firms Fail To Meet State Purchase Quotas

OW1609101089 Beijing XINHUA in English
0108 GMT 16 Sep 89

[Text] Beijing, September 16 (XINHUA)—The central government is tightening its control over economic irregularities after 15 of 18 important industrial materials covered by the state plan failed to fulfill state purchasing contracts in the first half of this year, "CHINA DAILY" reported today.

About 300 key enterprises across the nation are given priority and most of them are producers of raw materials, according to an official from the State Planning Commission.

In return, those enterprises must fulfill state purchase quotas, the official said.

The poor rate of contract fulfillment has weakened the state's control over the economy, said Zou Shungeng, deputy director of the commission's Bureau of Production and Control.

However, this doesn't mean a drop in production, Zou said. Factories have managed to sell more of their products in the marketplace where they earn twice or three times as much as they do selling to the state.

Factories have a reason to feel being taken advantage of when state prices are lower than market prices. This is especially so when factories have to turn to the market to buy materials and energy to make up for deficiencies from the state, Zou noted.

As a result, they refrain from losing money by not selling more products to the state, he added.

Another problem has been the state's failure to provide adequate transport. Only 70.9 percent of planned transportation for timber were available to users in the first half of this year.

No one wanted to pay high transportation charges to ship state-purchased goods, he said.

To solve the problem, the gap between state purchase price and the market price should be narrowed, he stressed.

Economic Development Speeds in Minority Areas

OW1509012089 Beijing XINHUA in English
0019 GMT 15 Sep 89

[Text] Beijing, September 15 (XINHUA)—China has accelerated economic development in areas inhabited by minority nationalities, the "GUANGMING DAILY" reported today.

From 1978 to 1988, the state invested 82.04 billion yuan in fixed assets of state-owned enterprises in such areas, 60 percent more than the total for the previous 29 years.

The total industrial and agricultural output value in those areas reached 109.233 billion yuan, 20.5 times that in 1949; and the industrial output value rocketed 117 times to 68.593 billion yuan.

The annual growth rate of the industrial and agricultural output value averaged 10 percent between 1981 and 1988, much higher than 6.6 percent averaged between 1953 and 1980.

In 1988, the grain and cotton output reached 43.614 million tons and 282,6000 tons, representing four-fold and 27-fold increases respectively. And livestock jumped five times to 20.938 million head.

The social retail sales amounted to 68.229 billion yuan in 1988. The annual growth rate was 16.3 percent between 1981 and 1988, compared with 9.1 percent in the previous 28 years.

In terms of transport facilities, the areas inhabited by ethnic minorities are crisscrossed by 12,733 kilometers of railways and 276,829 kilometers of highways, which represent 3.6 and 24.3 time increases respectively.

Modern industries have started from scratch in those areas in the past four decades. Now, there are 53,500 industrial enterprises.

With the development of the local economy, the living standard of ethnic minorities has improved remarkably as well and per capita income of rural people in those areas reached 436 yuan in 1988.

Development Plan Aims To Aid Northern Shaanxi Poor*OW1309120789 Beijing XINHUA in English
0952 GMT 13 Sep 89*

[Text] Beijing, September 13 (XINHUA)—An economic development plan for 1988-2000 has been devised to help the people in northern Shaanxi Province escape poverty.

The north part of Shaanxi, an old revolutionary base area, has made great economic progress in the past ten years, but compared to other parts of China, the area is still poor. Twenty-one of the area's 33 counties and cities are on the government's list of poverty-stricken counties and 21 percent of its population is still under-fed and -clothed, according to today's "PEOPLE'S DAILY."

The economic development plan includes the development of 270,000 ha of sandy wasteland, opening up about 13,000 ha of farm land, 1,300 ha of fish ponds, 20,000 ha of orchards, 18,000 ha of land for medicinal herbs, development of four river valleys and promoting the growth of eight industries including petroleum, cigarettes, textiles and leather products, and coal.

The plan is expected to help the area raise its output value by 8.5 to 10.5 billion yuan.

Largest Savings Bank Reports Record Deposits*HK1809060889 Beijing CHINA DAILY in English
18 Sep 89 p 2*

[Text] Total savings deposits of the country's largest savings bank reached a record high by the end of August, CHINA DAILY learned yesterday [17 September].

They have now hit 217.8 billion yuan (about \$58.548 billion), with an increase of 37 billion yuan (about \$9.946 billion) compared with that at the beginning of this year, an official of the Industrial and Commercial Bank of China said.

The net increase in August stood at 4.8 billion yuan (about \$1.29 billion) while that at the same period last year dropped by 2.4 billion yuan (about \$645 million), thus, making the August increase 7.2 billion yuan (about \$1.935 billion) over the same month last year, she said.

This record savings increase has been attributed to the state's effort to curb inflation and to the stability of prices to a certain extent, thus avoiding the resurgence of panic buying that took place in China's big cities last year.

The three increases of bank savings interest in the first half of this year encouraged savings, making the net increase of the bank's fixed deposits increase by 99.7 percent.

The interest rate for those fixed savings indexed to the inflation rate was increased to 12.59 percent in the second quarter of this year from the 7.28 percent of the fourth quarter last year.

At the same time, the bank opened more savings offices all over the country while launching a large scale propaganda movement in the country in the first half of this year to advocate the good points of putting money into the bank.

Industrial Progress Exhibit To Mark National Day*OW1509082489 Beijing XINHUA in English
0733 GMT 15 Sep 89*

[Text] Beijing, September 15 (XINHUA)—China is to hold a major exhibit of 40 years of industrial development to mark the 40th anniversary of the founding of the People's Republic, according to today's "ECONOMIC DAILY."

The exhibition will be held between September 21 and 27 at the Beijing Exhibition Center.

On display will be photos, models, industrial products and video tapes showing the development of China's industry.

Li Kemu, editor-in-chief of "ADMINISTRATION WORLD" magazine, is in charge of organizing the exhibition.

Li said the exhibition will introduce the great achievements made by China's industry, especially during the ten years of reform and opening to the outside world, and promote exchanges between industrial enterprises.

About 240 big oil, automobile, chemical and coal companies and other enterprises from various parts of China will take part in the exhibition. They represent the cutting edge of China's progress in technology and management.

The exhibition is sponsored by the State Council's Research Center for Economic, Technological and Social Development, the China Enterprise Management Association and other related ministries and companies.

Foreign Experts Study Loess Plateau*OW1809071789 Beijing XINHUA in English
1358 GMT 15 Sep 89*

[Text] Lanzhou, September 15 (XINHUA)—Chinese farmers living on the loess plateau have affectionately conferred the name "loess expert" on the scientists who stay on the plateau year round studying the characteristics of loess.

China's loess plateau has an area of about 600,000 square kilometers, covering six provinces and autonomous regions in north China. The name loess refers to the fertile yellow soil deposited by the wind over centuries. The loess layer in northern China is as deep as 100 to 150 meters, making it the most extensive loess plateau in the world.

With porous soil and concentrated rainfall in the summer, the area has been severely hampered by soil erosion, resulting in low grain output and poverty.

In April 1986, the Gansu Grassland Ecological Research Institute (GGERI) and an Australian company, Hassall Associates Agricultural Consultants (HAAC) jointly began "the project to study and develop Gansu Province's grassland agriculture," in a bid to change the poor conditions on the loess plateau.

The Australian and Chinese experts chose Qingyang Prefecture in east Gansu Province as their experiment base because its topography—hills and gullies—is the same as that which covers 70 percent of the loess plateau.

The project is designed to find the best ways to introduce forage grass and livestock into the area and use the loess land rationally. Under the the Sino-Australian technical cooperation development plan, Australia has provided funds equivalent to 110,000 yuan (renminbi) and dispatched resident experts, and the Chinese Ministry of Agriculture has provided research funds, to support the project.

The arrival of the "foreign loess experts" caused quite a stir in the usually isolated area. For the first time farmers found to their surprise that besides the Chinese Government and experts, there are many golden-haired, exotic people who also care about them. "The distance between us and the outside world is becoming shorter and shorter," a township official said.

The Chinese and Australian experts have set up observation posts in Tuqiao Township in Qingyang County. They live in loess caves and eat simple food with the farmers. Tuqiao is poor and backward. There is still no electricity. Grain yield per hectare is just 300 to 450 kg. Farmers have to ask the country for relief grain every year.

The research group has also set up an experimental station in Shenshe Township of Xifeng City, and several demonstration posts in the surrounding villages. Mr

Haon Hassall [name as received], who is in charge of the Australian side, came here himself to introduce the new grassland agriculture pattern to the farmers.

Grassland agriculture is a system of dividing the land into sections for crops, grass and trees according to suitability.

There were difficulties in the early stages of their work. There were language and cultural barriers. Some farmers even shut the foreign experts out of their homes. They did not believe planting grass would make them rich. However, they changed their minds when they saw the great changes in the lives of farmers in the demonstration posts.

Great achievements have been made in the demonstration areas. Yongfeng village in Shenshe Township is a good example. Every person enjoys more than 1,660 kg of wood for fuel wood each year. Because of the increase in forage the number of sheep in the village has increased four times and net income has increased 2.7 to 3.6 times. With vegetation now covering 81 percent of gully areas soil erosion has been brought under control.

More and more farmers are going to the experimental station in Qingyang to ask for advice. Since the founding of the station in September 1986, thousands of farmers have received advice and training there.

The station has provided the farmers with 70 bulls and 150 sheep for breeding stock, and 100 kg of grass seed. The station has also introduced tens of thousands of high quality rabbits and helped the farmers set up a rabbit fur processing factory with an annual output of 400,000 rabbit furs.

Mr Hassall also plans to expand his training program in Gansu Province, in a bid to help more farmers master new agricultural technology.

East Region

Anhui Standing Committee Ends Session 28 Aug

OW2009015489 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 29 Aug 89

[Text] The 12th Session of the 7th Anhui Provincial People's Congress Standing Committee ended yesterday afternoon. The meeting adopted measures to implement the Fishery Law in Anhui Province, regulations governing the supervision of judicial work by the provincial People's Congress Standing Committee, and a resolution on revising the detailed regulation governing elections for the People's Congress at all levels in Anhui Province. It also adopted a resolution of the Anhui Provincial People's Congress Standing Committee on the final financial accounts for 1988; a resolution on strictly investigating and handling embezzlement, bribe-taking, speculation, profiteering, and other economic criminal cases; a resolution on further screening and rectifying companies; and a decision on appointments and dismissals.

During the morning meeting, participants seriously studied a decision of the CPC Central Committee and the State Council on further screening and rectifying companies, and unanimously maintained that the decision is a very wise one and is of vital importance in further screening and rectifying companies. The participants called on governments at all levels to organize cadres and masses to study seriously and propagate widely the document, take effective measures, and comprehensively implement it.

During the meeting, participants earnestly examined three provincial people's government reports respectively on screening and rectifying companies, on this year's economic plan, and on the implementation of the fiscal plan in the first half of 1989, as well as a report on the provincial People's Procuratorate on investigating and handling embezzlement, bribe-taking, and other economic criminal cases. The participants maintained that the provincial people's government and procuratorial organs across the province have done a great deal of work and achieved considerable results in this regard. However, many problems still exist which should not be overlooked. The participants emphatically pointed out that screening and rectifying companies is a very important task, because it has a direct bearing on improving the economic environment, rectifying economic order, and building a clean government system. Governments at all levels must further enhance their understanding, take effective measures to implement the decision of the CPC Central Committee and State Council, strengthen their leadership, and fulfill the task of screening and rectifying companies.

The participants also pointed out that, although Anhui has achieved considerable results in this year's economic work, it still faces a formidable task in fulfilling the entire annual plan because of acute shortages in energy, raw and processed materials, and funds. Therefore, the province must further take effective measures; seriously

implement the policy of double increase, double economy; exert every effort to realize a bumper agricultural harvest; continue to curtail the scope of capital construction; deepen the general finance, tax, and price inspections; and mobilize the masses to work hard and strive to fulfill all tasks already planned for this year.

The participants pointed out that economic crime is still very serious in our province. Procuratorial organs across the province must stress opposition to embezzlement and bribe-taking as the main point in cracking down on economic crime, overcome all interference and obstacles, speed up the investigation and handling of major cases, and accurately and forcefully crack down on all kinds of economic criminal, thereby ensuring and promoting the development of various construction projects.

Chairman Wang Guangyu pointed out that the decision of the CPC Central Committee and State Council to screen and rectify companies further is an indication of their determination. The decision is an important way to eliminate corruption and has filled the people with enthusiasm. We must study, propagate, and implement the decision. Screening and rectifying companies is not only an economic issue, but also a political one of great concern to the people of the whole country. Therefore, governments at all level must realize the importance of this task. When this work is properly fulfilled, we shall be more able to promote the work of building up a clean government system, get rid of corruption, enhance the government's prestige, and arouse the masses' enthusiasm. We cannot afford to take a wait-and-see attitude. We must resolutely meet the requirements laid down by the party Central Committee and State Council, be determined, and achieve results in this task with unremitting efforts.

Cheng Rui, vice chairman of the provincial People's Congress Standing Committee, presided over the plenary session on the afternoon of 28 August. Attending the meeting were vice chairmen Ying Yiquan, Du Weiyou, Chen Tingyuan, Chen Tianren, and (Du Hongben). Also present were Shao Ming, vice governor of the provincial people's government, and Feng Jianhua, chief procurator of the provincial People's Procuratorate.

Shandong Meeting Considers Autumn Planting

SK1809054089 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 16 Sep 89

[Text] On the evening of 16 September, the provincial government held a telephone conference on autumn planting to mobilize the people throughout the province, from the higher to the lower level, to take action urgently and try all possible means to overcome all difficulties caused by drought, exert the utmost effort to do a good job in planting wheat, and lay a foundation for reassembling the people's minds and striving for a bumper harvest of summer grain next year.

Governor Zhao Zhihao, presided over and addressed a telephone conference. Responsible persons from Dezhou Prefecture, Yanzhou and Zhucheng Cities, and Feicheng County gave an account of their ways and plans of carrying out autumn planting.

Vice Governor Wang Lequan worked out plans for the province's autumn planting work. He said at present the province's autumn harvest and planting have been carried out at a majority of farmlands. As of 15 September, some 9 million mu of autumn crops had been harvested, and 6 million mu of stubble has been removed from the fields. Some areas have begun planting while there is sufficient moisture in the soil. However, the situation for carrying out the three autumn jobs is very grim. The most important is the great menace caused by serious drought. One thing that merits our great attention is that because of this year's drop in autumn grain production, it is expected that this winter and next spring more than 10 million people in the province will be short of grain. This puts great pressure on next year's grain production. Therefore, planting a sufficient amount of wheat this year and striving for a bumper harvest of summer grain next year will affect the overall situation of grain production and the people's living and social stability. In this regard, we should overcome all difficulties, and fight a tough battle in combating drought and guaranteeing autumn planting.

Vice Governor Wang Lequan put forward five demands on this year's autumn planting work:

1. All localities should overcome the ideological trends of relying on the heavens to get rain, taking slow action, fearing hardships, having worries, lowering one's guard and becoming careless; recognize the favorable conditions in all fields; and strengthen confidence in doing a good job in autumn planting.
2. We should fully tap all water resources, and fight a tough battle to combat drought and guarantee autumn planting.
3. We should be determined to popularize effective production technology, which mainly includes inter-planting, precision and semi-precision drilling, planting wheat on dry land, selecting fine seed strains, and applying fertilizer to farmland in a scientific manner.
4. All departments, including chemical industrial, supply and marketing, power, scientific and technological departments, and agricultural banks should consider supporting autumn planting as a political task, treat it correctly, and guarantee the needs of autumn planting.
5. Leaders at all levels should consider autumn planting as an overriding central task and should grasp it firmly and well. It is necessary to organize a large group of cadres to take full responsibility for townships and villages, help them solve specific difficulties and problems, make special efforts to give service to villages, and help the masses eliminate misgivings and difficulties.

AFP Views Zhejiang Province After Crackdown

HK2009103489 Hong Kong AFP in English
0837 GMT 20 Sep 89

[By Sylvie Monier]

[Text] Hangzhou, China, Sept 20 (AFP)—The small but rich coastal province of Zhejiang has not escaped China's crackdown on the pro-democracy movement, but its leaders seem more concerned with protecting economic development than with ideological orthodoxy.

Officials interviewed here said all workers, party cadres and employees submit to ideological re-education, to which students at the University of Hangzhou, the provincial capital, devote one afternoon a week.

"The workers have been working despite the events, and no factory has stopped its production," Zhejiang Governor Shen Zulun said.

Hangzhou Mayor Lu Wenge added that no workers took to the streets during three days of student demonstrations he said took place last spring in this popular tourist center.

Only one official at a dozen factories visited spoke of worker involvement in pro-democracy rallies.

Lai Jiaoqi, deputy director of the state-owned Du Jin Sheng silk-fabric plant, said "a small number" of employees had demonstrated as hundreds of thousands took to the streets of Beijing in May and early June.

"They were very young and none of them has been sanctioned," Mr. Lai said.

"They are studying the party documents to raise their political consciousness," he added.

During the weekly, one-hour re-education classes, employees are asked to study in particular the "important" June 9 speech in which senior leader Deng Xiaoping justified the army's crushing the pro-democracy movement on the night of June 3-4.

Slogans telling workers the path to follow are written on blackboards or broadcast through public address systems.

From April to June, the factory experienced one or two power outages a week caused by a coal shortage, Mr. Lai said.

Other sources said the coal deliveries were held up by disturbances in the rail network.

Sheng Zhengao, a businessman in the port city of Ningbo, said he had problems getting to Hangzhou to fill his orders during the demonstrations.

"The demonstrators blocked the railways and there were not so many products in the shops at that time," the 56-year-old trader said.

Mr. Sheng said that he, like most of his free enterprise colleagues, suffered a 60-per-cent drop in business during the unrest.

Zhejiang, near Taiwan and relatively open to the outside world, is considered to be especially vulnerable to the officially maligned influences of Western "bourgeois liberalization."

Provincial and other officials all appeared to have a stock answer ready to queries by visiting foreign reporters on the locally-felt effects of the pro-democracy movement: "We have been affected by the turmoil, but not too much."

The officials underplayed the drop in tourism, a major source of foreign currency for China.

Mr. Sheng said tourism was on the rise again, but added that money from travellers represented only a tiny portion of the province's revenues. He gave no figures.

He did acknowledge that foreign investors had either abandoned or suspended projects in Zhejiang and that some contracts had been cancelled. He did not specify how many.

All those interviewed agreed that there was no question of modifying China's 10-year-old policy of openness, which has particularly benefitted Zhejiang Province.

"It will never be changed," Mr. Sheng said of the openness policy. "I can assure you this because it is very important to this province."

"It is impossible to go back to the old way of closing doors," added Geng Jianhua, the mayor of Ningbo. "We have to combine the foreign, useful thoughts and ideas with the actual situation in China."

Central-South Region

Hainan's Xu Shijie Writes on SEZ Construction

OW1209192189 Beijing XINHUA in English
0928 GMT 12 Sep 89

[Text] Beijing, September 12 (XINHUA)—Hainan Province, the largest special economic zone in China, has achieved remarkable progress in infrastructure construction over the past year, according to a top provincial official.

In an article in today's "PEOPLE'S DAILY" Xu Shijie, secretary of the Chinese Communist Party Committee of Hainan Province, said building a special economic zone covering all of Hainan Province, 30,000 square kilometers, is much different from the work of creating previous zones which cover only dozens or hundreds of square kilometers.

He said, "It is not practical to demand that Hainan achieve the same construction speed as a special economic zone covering 30 or 300 square kilometers."

Intensive infrastructure construction is the only way to lay a sound foundation for its future development, he said in the article.

Since the founding the province last year, Hainan has installed new power generating facilities with a combined capacity of 400,000 kilowatts to solve the power shortage.

The province is building two deep-water harbors with 10,000-ton class berths and expanding two existing harbors.

Sanya City has installed program-controlled telephone facilities and opened direct dialing lines.

Haikou Airport which previously had only two air links, with Guangzhou and Zhanjiang in neighboring Guangdong Province, has opened 10 air routes to cities, including Beijing, Shanghai, Chengdu, Xian, Singapore, Bangkok and Hong Kong.

The province is now preparing to construct an international airport in Sanya City, which will be able to accommodate Boeing 737 and MD-82 passenger planes.

In order to attract overseas investment, the province has set up eight economic zones in Haikou, Sanya, Yangpu, Basuo, Macun and Qinglan. Despite the social turmoil in Beijing, existing overseas investors have not quit and new investors are coming to the island.

Hubei Secretary Attends Armed Police Program

HK2109042289 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 20 Sep 89

[Excerpts] In spite of continuous autumn rain, more than 2,000 personnel of the Hubei People's Armed Police General Unit gave a display of military skills at the Xinhualu Stadium in Hankou this morning to greet solemnly the 40th anniversary of the founding of the People's Republic. [passage omitted]

Provincial party committee Secretary Guan Guangfu and Major General (Fan Zhilun), Deputy Commander of the Hubei People's Armed Police General Unit, delivered ebullient speeches at the meeting. Guan Guangfu pointed out: Since its establishment a few years ago, the Armed Police Force of our province—consistently adhering to the principle of training the police strictly—has achieved successes in making itself a modern, regular, and revolutionary police unit; successfully fulfilled all tasks that the party and people had assigned to it; and made contributions to the building of the two civilizations in Hubei. And in particular, the Armed Police Force withstood severe tests in the checking of the turmoil, and has performed feats for stabilizing the political situation in our province. All personnel of the force have proved themselves to be the people's own army and deserve to be called good guardians loyal to the party and people. In his speech, Major General (Fan Zhilun) fully confirmed the achievements that officers and men of our province's Armed Police Force had made in various fields of work. He called on them to add to

their achievements, to do even better, to maintain unswervingly unity with the Party Central Committee politically, ideologically, and in action; and to make new contributions in accomplishing all tasks to be assigned by the party and people and in promoting the development of all undertakings in Hubei. [passage omitted]

Guangdong Secretary Stresses Party Building

HK2109091989 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 21 Sep 89

[Text] At a provincial meeting of Organization Department directors of party committees at the city level which concluded on 19 September, provincial party committee Secretary Lin Ruo pointed out: It is necessary, in line with actual conditions in our province, to enhance party building ideologically, organizationally, and in work style.

Lin Ruo continued: With regard to party organizations at all levels and the more than 2 million party members of our province, most of them behaved well during the recent political disturbances, but we must also be clear-headed and see that some problems do exist in our party. Now is the right moment for us strengthen party building. We must be resolved and confident to build our party well.

Lin Ruo emphasized: At present we must lose no time in straightening out backward party branches; readjust and reinforce leading bodies of party branches; and, in particular, select qualified secretaries for party branches. Meanwhile, we must give wide publicity to some model party branches such as [words indistinct] in Guangzhou and Xinhui County.

Speaking on the work of selecting and promoting cadres, Comrade Lin Ruo pointed out: Our party has always followed the principle of appointing people on their merits and attaching importance to both ability and political integrity in this field of work. We must continue to stick to this principle in the future, and top priority must be especially given to political integrity in selecting and promoting cadres.

Zheng Guoxiong, member of the provincial party committee Standing Committee and head of the provincial party committee Organization Department, also delivered a speech at the meeting. In the light of the confusion in party building brought about by the trend of bourgeois liberal thinking, Zheng reiterated some principles of fundamental importance for party building; namely, it is necessary to maintain the nature of the party as being the vanguard of the working class, to maintain resolutely the leading position of the party in socialist construction, to put inner-party ideological education in a prominent position in party building, to develop the party's fine traditions, to uphold the principle that the party must be in charge of affairs regarding cadres, to implement accurately and in an all-round way the four-modernizations principle governing cadres, to adhere to

the principle of having both ability and political integrity, and to stick to the system of democratic centralism.

Eighth Guangdong Trade Union Congress Opens

HK2109023089 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 20 Sep 89

[Excerpt] The Eighth Guangdong Provincial Trade Union Congress opened in Guangzhou today.

More than 800 people attended it, including provincial leaders Lin Ruo, Ye Xuanping, and Guo Rongchang; as well as trade union cadres, model workers, and representatives of industrial workers.

On behalf of the All-China Federation of Trade Unions, its Vice President Li Peiyao first delivered a congratulatory speech. In the name of the Guangdong provincial party committee and the Guangdong provincial people's government, provincial party committee Secretary Lin Ruo extended his warm congratulations to the meeting. Lin Ruo pointed out: The convening of the Eighth Guangdong Provincial Trade Union Congress is an event in the political life of our province. Workers and other staff members are masters of enterprises. Leaders of all enterprises must rely on them wholeheartedly in running enterprises, all major decisions must give full expression to their wishes and demands, and the functions and powers of congresses of workers and staff as prescribed by the business law must be brought into full play. Lin Ruo hoped that party and government leaders at different levels support trade unions in doing their work independently and within the law, and in exercising their functions and powers within the law to defend the rights and interests of workers and staff; and create conditions for the role of trade unions in developing socialist democracy and exercising social supervision. [passage omitted]

Guangdong Capital Thrives Despite Austerity Plan

HK2109015389 Hong Kong HONGKONG STANDARD in English 21 Sep 89 p 6

[By Fan Cheuk-wan in Guangzhou]

[Text] Guangzhou still seems to be enjoying economic privileges and special policies despite Beijing's drive to centralise power under the austerity programme.

The Guangdong provincial capital is recovering from the June 4 massacre, with an increasing number of foreign investors flocking back to the city seeking business opportunities.

Mr Wu Binghui, director of Guangzhou Commission of Foreign Economic Relations and Trade, said the events of June 4 had only a short-term impact on the city's economy.

"Foreign investors did postpone business negotiations with Chinese parties after the incident, but none of foreign businesses based in Guangzhou has ever pulled out," Mr Wu said.

He said the pace of negotiations had slowed for several U.S. investment projects in the Guangzhou Economic and Technological Development Zone, but none had been cancelled.

"Among more than 600 foreign-funded enterprises in the city, none of them has ever stopped operation since June 4," he said.

"But negotiations on five foreign investment projects involving capital of more than U.S.\$5 million (HK\$39 million) have been shelved."

Mr Wu said tourism was worst affected by the June 4 massacre.

"Shortly after June 4, the occupancy rate of all hotels in the city fell below 17 percent, compared with more than 70 percent before the incident," he said.

But he said foreign investors had been convinced Guangzhou's policy of reform and openness would remain unchanged. They city would maintain its existing special policies and economic privileges.

"So far, Guangzhou has not received any order from Beijing to hand back our autonomy in foreign trade and economic planning," he said.

"Guangzhou has been granted provincial-level economic planning autonomy and the city is directly responsible to the central government. We have the autonomy to design necessary economic reform programmes for the city," he said.

Mr Wu cited the Guangzhou government's approval for China's first sale of stock in state-owned enterprises to foreign investors, the privatisation of publicly-owned houses and the large-scale transfer of land-use rights to foreign businesses over the past two months.

"We do not feel any centralisation pressure from Beijing. The central government has not made any change in its policy towards Guangzhou," he said.

Guangzhou was regarded as the ousted Mr Zhao Ziyang's model for market-oriented reform over the past decade.

"Zhao's downfall should not have any influence on the export-oriented economy in Guangzhou. Senior leader Deng Xiaoping has reaffirmed that China will be even more open than before. There will be no change to the coastal development strategy," Mr Wu said.

But he said Guangzhou would have to carry out the central order to implement the austerity programme.

"It's true that we must reduce the scale of investment in infrastructure, but we should not blindly cut all infrastructure construction," he said.

Mr Wu said rural and township enterprises would grow or diminish according to market demand, with inefficient ones being forced to close.

"There is no need for the government to give them orders," Mr Wu said.

But the government would enhance its management of such enterprises, especially regarding taxation, he said.

Inefficient companies may be merged or closed down, Mr Wu said.

"A small number of some 90 Guangzhou companies based in Hong Kong have been merged. But the overall investment direction of Guangzhou's companies in Hong Kong will not change."

Southwest Region

Guizhou Leaders Attend Party Building Meeting

HK1909025589 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 18 Sep 89

[Excerpt] The provincial party committee opened a meeting on party building on 18 September. The main agenda consists of relaying the CPC Central Committee circular on stepping up party building and the spirit of the national conference of provincial, municipal, and autonomous regional Organization Department directors; and studying and making arrangements for stepping up party building in light of the province's realities.

Wang Chaowen, deputy secretary of the provincial party committee and governor, presided at the meeting's opening session. Long Zhiyi, deputy secretary of the provincial party committee and director of the Organization Department, relayed the spirit of the national conference of Organization Department directors. Provincial party, government, and Army leaders Liu Zhengwei, Su Gang, Ding Tingmo, Liu Hanzhen, Zhang Yuhuan, Miao Chunting, He Renzhong, and Kang Huzhen attended the meeting. [passage omitted]

Sichuan Secretary Stresses Party Building

HK1709004989 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 16 Sep 89

[Excerpt] Provincial party committee Secretary Yang Rudai stressed at a training course of responsible persons of Sichuan's large and medium-sized enterprises studying the spirit of the fourth plenary session that it is essential to step up party building and ideological and political work in the enterprises, enhance the status of the party organizations in the enterprises, and give full scope to the political core role of the party organizations. The course concluded on 16 September.

Yang Rudai said: Jiang Zemin and other leading central comrades have repeatedly stressed in recent speeches that it is essential to give full scope to the political core role of the party organizations in the enterprises. It can be said that the term political core is the best encapsulation of the status and role of the party organizations in the enterprises, and grasps the key in stepping up party building and ideological and political work in the enterprises.

Yang Rudai said: The party's grass-roots organizations in the enterprises hold the status of the political core. The enterprise party organizations should—in accordance with the central decisions—boldly, assuredly, and actively shoulder their responsibilities in leading ideological and political work and in building spiritual civilization; and should get a very good grasp of current work. Through strengthening the party's own building, it is also necessary to give full scope to the vanguard and model role of the party members and the fighting force role of the party branches, and unite and attract the staff and workers around the party organizations. They should wholeheartedly rely on the working class to strive together to fulfill the enterprises' tasks and goals. [passage omitted]

Tibet Leader Emphasizes 4th Plenum Goals

HK1809005989 Lhasa Tibet Regional Service in Mandarin 1130 GMT 17 Sep 89

[Excerpts] Regional party committee Secretary Hu Jintao said at a gathering of senior party-member cadres in Nagqu Prefecture on 7 September that presently the party and government organizations at all levels in the prefecture must promote the smooth progress of all under. Things centered on implementing the spirit of the fourth plenary session. [passage omitted] He made the following points regarding future work in the prefecture:

1. Lead forward and promote the progress of all work, closely centering on the spirit of the fourth plenary session. It is necessary to guide the attention of the cadres and masses to implementing the spirit of the fourth plenary session. There must be no influence on, interference with, or deviation from this major topic.

2. Continue to get a good grasp of work for stabilizing the situation. The party committees at all levels must consistently assign this work an important position and strengthen the building of the party organizations. It is also necessary to establish firmly the position of the working class as the vanguard force, and give full scope to the strong pillar role of the People's Liberation Army and the public security and Armed Police Force units. In stabilizing the situation, it is necessary to tackle the problems in a comprehensive way and start with ideological and political work.

3. Continue to get a good grasp of investigation and cleaning up. This must certainly not be done in a superficial way or [words indistinct].

4. Get a good grasp of economic work and achieve steady development of the prefecture's economy. Animal husbandry is the pillar of the prefecture's economy. [passage omitted]

Tibet's Hu Jintao Reiterates Religion Policy

OW1909192089 Beijing XINHUA in English 1612 GMT 19 Sep 89

[Text] Lhasa, September 19 (XINHUA)—Hu Jintao, secretary of the Tibet Autonomous Regional Committee of the Communist Party of China, reaffirmed here today that the party's policy on religion in Tibet would not change.

Addressing the second meeting of the Fifth Standing Executive Council of the Tibet branch of the Buddhist Association of China, Secretary Hu said that after the counter-revolutionary riot and the several riots in Lhasa, the party's policy on religion would continue to be carried in Tibet. He added that the party would continue to make efforts to solve the historical problems of various temples in Tibet.

Attending the meeting were more than 200 living buddhas and senior lamas.

Secretary Hu highly praised the participants of the meeting for their contributions in quelling the riots in Lhasa and stabilizing the situation in Tibet and for their outstanding work in organizing regular religious activities in Tibet.

Hu Jintao said that many facts have shown that the broad masses of monks and nuns in Tibet support the Communist Party and socialism.

He expressed his hope that all the participants of the meeting would continue to hold high the patriotic banner, maintain the unification of the motherland and strengthen the unity of nationalities in the country.

Tibet Urges Economic Criminals To Surrender

HK2009123789 Lhasa Tibet Regional Service in Mandarin 1130 GMT 19 Sep 89

[Excerpts] The Tibet Regional CPC Committee held a rally of party-member cadres at the Xizang People's Theater on the afternoon of 19 September, calling on organs directly under the regional authorities to implement the notices issued by the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Supervision; and to make arrangements for the task of fighting corruption and building a clean government in the near future.

The meeting was presided over by Basang, deputy secretary of the regional party committee. [passage omitted]

Regional party committee Secretary Hu Jintao made an important speech at the meeting. Secretary Hu Jintao said in his speech:

[Begin recording] Since the Supreme People's Court and the Supreme People's Procuratorate jointly released on 15 August a notice urging criminals engaging in corruption, bribe-taking, and profiteering to confess their crimes within a definite time, and since the Ministry of Supervision issued on 19 August a notice urging government functionaries to make a clean breast of their problems within a set time, the notices have evoked wide repercussions among people within and outside the party and among people of all walks of life, and are also supported by the region's people of all nationalities. Party and government organizations, people's courts, people's procuratorates, public security offices, and supervisory departments at different levels of the region have, through a lot of work, achieved initial results. [passage omitted] [end recording]

On how to implement further the notices issued by the Supreme People's Court, the Supreme People's Procuratorate, and the Minister of Supervision, Secretary Hu Jintao set four demands at the meeting. [indistinct passage omitted]

Tibetan Buddhists Charged With Counterrevolution

*OW2109030189 Beijing XINHUA in English
0147 GMT 21 Sep 89*

[Text] Lhasa, September 21 (XINHUA)—Two council members of the Tibet branch of the Buddhist Association of China (BAC) were expelled from the association at a council meeting here Tuesday for conducting "counter-revolutionary propaganda and instigation" during an anti-government riot in 1987.

Gyulo Zlabatshering, a 60-year-old living Buddha at the Gandain Monastery, was sentenced to life imprisonment by a court in 1959 for involvement in the counter-revolutionary rebellion. Under a special amnesty in 1979, he was released from jail and became a council member of the BAC's Tibetan branch.

On December 16, 1987, Gyulo colluded with reactionaries abroad to try to overthrow the people's government and the socialist system.

The intermediate People's Court of Lasa sentenced Gyulo to 10 years imprisonment and deprived him of his political rights for three years last January.

Chung Bdag, 27, a native of Dagze County, became a Lama at the Gnain Monastery [name as received] when he was 21. Later he became deputy director of the monastery's Democratic Management Committee and a council member of the BAC's Tibet branch.

During the riot in 1987, Chung Bdag tried to stir up trouble and instigated lamas at the monastery to parade on the street.

Chung Bdag was sentenced by the court to a seven-year prison term and was deprived of his political rights for two years.

Comoinling Daindzim Chili, vice-president of the BAC's Tibet branch and a noted living Buddha, said the charter of the BAC stipulates that all members must love the motherland, cherish Buddhism and safeguard the unification of the country. By their acts, the two violated the charter and should be expelled from the association, he said.

NPC Vice-Chairman Ngapoi Ends Tibetan Tour

*OW1809183189 Beijing XINHUA in English
1600 GMT 18 Sep 89*

[Text] Lhasa, September 18 (XINHUA)—Ngapoi Ngawang Jigme, vice-chairman of the Standing Committee of the National People's Congress, ended his two-month inspection in Tibet and left here today by air for Beijing.

Seeing him off at the airport were Hu Jintao, secretary of the regional party committee, and Pebala Gelieh Namje, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference.

During his stay in Tibet, Vice-Chairman Ngapoi presided over the Second Session of the Fifth People's Congress of Tibet Autonomous Region. He made a long speech at the session about the history of Tibet, stressing that Tibet has been an inalienable part of China since 1253 when the government of the Yuan Dynasty sent troops to end the chaos situation in Tibet.

Vice-Chairman Ngapoi stressed Tibet's development in the past four decades has proved that only under the leadership of the Communist Party can the Tibetan people live a happy life and only by adhering to the socialist road can Tibet has a bright future.

He also urged Dalai Lama no longer to advocate the so-called "independence of Tibet", but to have dialogue with the central government and return to the motherland as soon as possible.

Vice-Chairman Ngapoi also visited Xigaze Prefecture, where he paid his respects to the remains of the 10th Panchen Erdini Qoigyi Gyancan and expressed his wish for earlier reincarnation of the Panchen Lama.

North Region

Hebei Secretary Discusses Enterprise Screening

*SK2109045189 Shijiazhuang HEBEI RIBAO
in Chinese 31 Aug 89 p 1*

[Excerpts] On 29 August, the provincial party committee held a conference to study and make arrangements for implementation of the decision of the party Central Committee and the State Council on further screening and rectifying companies. Xing Chongzhi, secretary of the provincial party committee, presided over the conference. Attending were Yue Qifeng, the provincial governor, and Ye Liansong, leader of the provincial leading

group for screening and rectifying companies and provincial vice governor. Participants to the conference heard a report given by the provincial leading group for screening and rectifying companies on the province's previous work of screening and rectifying companies. They affirmed the achievements already scored and held conscientious discussions on the existing problems and the next stage of the work.

Thanks to the concerted efforts by all quarters, our province has achieved notable results in the work of screening and rectifying companies which started in October last year, and the overwhelming majority of the companies that were approved after being screened and rectified have been registered anew. However, the expected goals of this work have yet to be attained because of a lack of adequate understanding of the great significance, arduousness, and complexity of this work; imperfect rules and regulations; and the interference of the turmoil and counterrevolutionary rebellion.

Based on the guidelines of the "decision of the CPC Central Committee and the State Council on further screening and rectifying companies," and the actual conditions of our province, the conference put forward opinions on the next stage of the work of screening and rectifying companies.

We should enhance understanding, clarify the guiding ideology, and earnestly overcome the complacent and slack mood. We should fully understand that the work of screening and rectifying companies is not only an important part of the endeavor to improve the economic environment, rectify the economic order, and comprehensively deepen reform, but also a key measure for eliminating corruption, punishing "government speculation," and promoting honesty in the performance of official duties. We should follow the requirements of the party Central Committee and the State Council to the letter, pay close attention to this work, carry it out successfully through to the end, and never give up halfway or do it in a perfunctory manner.

We should conscientiously reexamine our previous work of screening and rectifying companies, with the focus on solving the following six problems:

1. We should disband and merge a group of companies (enterprises), and conscientiously solve the problem of excessive companies in the field of circulation. In line with the requirements of the "decision," we should disband, suspend, or merge all the excessive commercial wholesale, foreign trade, material supply, and financial companies that should be disbanded, suspended, or merged. [passage omitted]

2. We should exercise supervision to ensure that cadres of party and government organs resign from either their organ posts or their company posts and that retired cadres resigned from their posts at companies, and successfully solve the problem of cadres of party and government organs assuming concurrent or full-time jobs at companies (enterprises).

3. We should adjust the business scope of companies and successfully solve the problem in which the business scope is not clear or is too large. We should reexamine the business scope of the companies that have been approved, including those which have already been reregistered. [passage omitted]

4. We should establish and improve the rules and regulations of companies concerning their wages, bonuses, labor protection welfare, and management; and conscientiously solve the problem of unfair distribution. [passage omitted]

5. We should conscientiously screen the companies engaged in scientific and technological development, consulting services, labor services, and those which have links with primary and middle schools, and solve the problem of arbitrary commercial activities.

6. We should conscientiously screen the individual-run companies (enterprises) and joint ventures that are operated in the name of state or collective companies and successfully solve the problem in which the economic nature of companies is not clearly defined. We should strictly examine the economic nature of such companies in line with relevant policies and regulations. Those whose economic nature does not comply with what it should really be should earnestly make corrections. If this is violated, the persons concerned and the organs that made the approvals and verifications should be held responsible.

We should conscientiously investigate and handle law and discipline breaches. We should investigate all the companies and persons that have problems by taking facts as the basis and laws as the criteria. We should particularly exert great efforts to organize the investigation and handling of the cases that have caused serious damage to the economic order and the state interest, and the cases on "government speculation" and "nongovernment speculation" for which the masses have many complaints. Party committees and governments at all levels, with their leaders personally taking charge, should select some serious law and discipline breaches that have created some impact, thoroughly investigate them within a short period of time, mete out strict punishment according to party discipline and state law, and make them public.

We should consolidate the achievements in the work of screening and rectifying companies and make it successful in the field of circulation. While further screening and rectifying companies, we should also successfully rectify other economic organizations in the field of circulation which do not bear the name of company when we conduct the annual examination and license renewal of industrial and commercial enterprises. [passage omitted]

At the conference, Yue Qifeng reiterated the policies concerning the screening and rectification of companies. Xing Chongzhi pointed out: Instead of merely imposing fines on, disbanding, or merging the companies that

violate law and discipline to a serious extent, we should mete out punishment in line with party and administrative disciplinary actions to their relevant leaders and those who directly hold the responsibility, and pursue their criminal liabilities if they violate the criminal law. Those who intercede for or shield others should be openly exposed and strictly dealt with. All localities should eliminate the influence of local protectionism, bear in mind the interest of the entire party and the people throughout the country, and exert concerted efforts to carry out successfully the work of screening and rectifying companies.

Hebei Secretary Meets With Heroes Report Group

SK2109052389 Shijiazhuang HEBEI RIBAO
in Chinese 2 Sep 89 p 2

[Excerpts] The group of the Armed Police Force reporting on the model heroes' deeds in quelling the counterrevolutionary rebellion gave its first report in Shijiazhuang, capital of the province, on the morning of 1 September. Eight policewomen of the Hebei Armed Police Force headquarters presented fresh flowers to members of the report group. With feelings of great reverence for model heroes, 1,000 Armed Police officers and men heard the report.

The report group, organized by the headquarters of the Chinese People's Armed Police Force, successively gave reports in Liaoning, Tianjin, and Shanghai. On 31 August, Xing Chongzhi, secretary of the provincial party committee; Dong Xuelin, commander of the provincial Military District; and Zhou Liqian, director of the provincial Public Security Department, cordially met with members of the report group and had a group photo taken to mark the occasion. Xing Chongzhi said: You made the greatest efforts and sacrifice in quelling the counterrevolutionary rebellion. You paid a special visit to our province to report model heroic deeds and conduct, and to provide education on patriotism and revolutionary heroism to the people in the province. On behalf of the provincial party committee and the provincial government, I warmly welcome you. After being informed of the facts that three of the members of the report group and one third of the merit-citation winners who made contributions to quelling the counterrevolutionary rebellion are from Hebei, Comrade Xing Chongzhi repeatedly praised them for adding honor to the people in Hebei. [passage omitted]

After the report meeting, Cheng Guangwen, deputy director of the provincial Public Security Department and commander of the Hebei Armed Police Force headquarters, made a speech. He called on the public security cadres and policemen, and the Armed Police officers and men, across the province to launch extensively a campaign of studying these model heroic deeds and to make contributions to maintaining the republic's long-term order and stability. [passage omitted]

Hebei Secretary Attends Radio Station Party

SK1909080089 Shijiazhuang Hebei Provincial Service
in Mandarin 2200 GMT 1 Sep 89

[Excerpts] This station held warm and simple activities to celebrate the 40th anniversary of its founding at the auditorium of the No 1 Workers Palace in Shijiazhuang, the provincial capital, on the afternoon of 1 September. The auditorium was filled with guests, who were welcomed only with tea. Attending the meeting marking the 40th anniversary of the founding of this station were provincial leaders Xing Chongzhi, Li Wenshan, Yang Zejiang, Guo Zhi, Liu Ronghui, Yue Zongtai, Liu Ying, Wang Zuwu, Xu Chunxing, as well as Comrades (Xie Huang) and Yin Zhe. [passage omitted]

Liu Ronghui, Standing Committee member and Propaganda Department director of the provincial party committee, spoke at the meeting. He fully supported the work carried out by the Hebei Broadcast Station over the past 40 years since its founding, particularly its firm stand in maintaining political unity with the party Central Committee and correctly performing the leading role of the press during the period when the counterrevolutionary rebellion occurred in Beijing. He encouraged comrades of the station to exert unremitting efforts to study thoroughly and successfully, implement and publicize the guidelines of the 4th Plenary Session of the 13th CPC Central Committee on the one hand, and to improve their political and professional qualities on the other hand so as to make new and even greater contributions to the party's propaganda cause and our province's two civilizations.

A film reception was held at the end of the meeting.

Inner Mongolian Leaders' Article Cites Progress

HK2009153989 Beijing RENMIN RIBAO in Chinese
14 Sep 89 p 4

[Article by Wang Qun (3769 5028), secretary of the Inner Mongolia Autonomous Regional CPC Committee, and Buhe (1580 6378), chairman of the Inner Mongolia Regional People's Government: "Revitalize Inner Mongolia in the Course of Reform and Opening Up"]

[Text] At a time when the Chinese people are preparing to celebrate the 40th anniversary of the founding of the PRC, the 20 million Inner Mongolian people of all nationalities, who have full confidence in the future of our great socialist motherland, express their profound respect and love for the glorious CPC.

Since the founding of the PRC, under the correct guidance of the CPC nationality policy, a new-type socialist relationship based on equality, unity, and mutual assistance has gradually been formed among the people of all nationalities in Inner Mongolia. Profound changes have also taken place in the economic and social spheres of Inner Mongolia. Compared with 1947, in 1988 the total social output value of Inner Mongolia increased 24.6 times, the national income of Inner Mongolia increased

20.5 times, the total industrial and agricultural output value of Inner Mongolia increased 35 times, and the total number of students in all types of schools in Inner Mongolia increased 15 times. The past 40 years have witnessed a rapid development of the nationality education cause of Inner Mongolia. In the last 40 years, the undertakings of various ethnic minorities and other types of undertakings have also developed by leaps and bounds. Inner Mongolia has successfully trained a large number of cadres from ethnic minorities. Thanks to the profound concern of the party and the state, in the last 40 years the people of all nationalities have worked hard with one heart and one mind and have finally turned a barren Inner Mongolia into a modern Inner Mongolia. The people of all nationalities in Inner Mongolia now feel from the bottom of their hearts: Without the CPC leadership and socialism, there would have been no liberation of the people in Inner Mongolia, nor would there have been prosperity and development of Inner Mongolia.

The convocation of the 3rd Plenary Session of the 11th CPC Central Committee opened a new chapter in the history of Inner Mongolia. In the last 10 years, the economic strength of the Inner Mongolia Autonomous Region has been doubled. Scientific, technological, educational, and cultural undertakings have also witnessed a tremendous development. And the livelihood of the Inner Mongolian people has also been improved by a large margin. The last 10 years is a decade in which our region has witnessed the most rapid social and economic development in its history, while our people have received a lot of substantial material benefits. Since the people of all nationalities in Inner Mongolia have benefited greatly from the implementation of the line, principles, and policies formulated by the 3rd Plenary Session of the 11th CPC Central Committee, and from "one center, two basic points," they are now more determined than ever to adhere to the four cardinal principles which are China's basic national policy, and adhere to the policies of reform and opening up to the outside world, which will lead China to prosperity.

Inner Mongolia is an autonomous region situated in China's border areas. Therefore, stability and unity have always been given top priority in the work of the region. In their long-term contacts and common struggle, the people of Inner Mongolia have helped one another through thick and thin and formed inseparable relations cemented with blood and flesh. It is mainly because of this reason that Inner Mongolia has been conferred the title "Model Autonomous Region" in China. The firm solidarity based on common ideals and beliefs among the people of Inner Mongolia was basically maintained during China's decade-long internal turmoil. Our party and our people have always attached great importance to such solidarity, and regard such solidarity as a reliable political basis and a basic guarantee for the continued development of all the undertakings in Inner Mongolia.

The Inner Mongolian people have every reason to be proud of their own glorious tradition of nationality

solidarity. The great achievements made by the Inner Mongolia Autonomous Region in the last 42 years are indeed world-renowned achievements. However, we have no reason to be complacent because of these achievements. Instead, we should understand that we are still shouldering heavy responsibilities and still have a long way to go. In carrying out our regional economic construction, we should fully understand our advantages: Since Inner Mongolia is an autonomous region, the party and the government have given us a lot of preferential treatment with respect to policies and laws. This is the political advantage of Inner Mongolia; it is rich in natural resources, including mineral resources, land resources, and regional resources. Since Inner Mongolia covers north China, northeast China, and northwest China; is adjacent to eight Chinese provinces and autonomous regions; is very near Beijing and Tianjin; and borders on the Soviet Union and Mongolia, it has favorable geographical conditions to carry out opening up to the outside world and establish economic associations with other Chinese provinces and autonomous regions. Moreover, Inner Mongolia has now been given two good opportunities: One is that the state is concentrating all its efforts on developing the energy industry, the raw material industry, and other types of basic industries; the other is that the normalization of Sino-Soviet relations has created a fine macroclimate for Inner Mongolia to open itself up to the outside world.

On the basis of the aforementioned favorable geographical conditions and good opportunities, we have put forward three short-term tasks for our economic development: On the basis of developing production, we should try to raise the living standard of the people of all nationalities in the urban and rural areas to a moderate level; on the basis of carrying out proportional development of forestry, animal husbandry, agriculture, and industry, we should gradually realize basic grain self-sufficiency; on the premise of gradually increasing the economic results, we should gradually raise our financial self-sufficiency rate and strengthen our financial self-reliance. In order to accomplish these three short-term tasks, we have formulated the guiding principle of "unity, construction, reform, and opening up"; put forward the strategy of opening up, which is characterized by "establishing economic associations with southern provinces and regions, opening up to the northern provinces and regions, proceeding in two ways, serving the whole country, and revitalizing Inner Mongolia"; and created the "trilogy" plan of "laying a foundation within 3 years, achieving initial results within 5 years, and realizing a relatively comfortable life by the end of this century."

I believe that with the aforementioned two good opportunities, favorable geographical conditions, and a good regional situation of nationality solidarity, social stability, and harmony, through their hard struggle the Inner Mongolian people will certainly be able to attain their grand goal, realize the common prosperity among the people of all nationalities, and make greater contributions to our socialist motherland.

Russian-Chinese Life in Inner Mongolia Improves*OW1809031889 Beijing XINHUA in English
1211 GMT 16 Sep 89*

[Text] Hohhot, September 16 (XINHUA)—The per capita annual income of the mixed-blood descendants of Russians and Chinese in Hulun Buir League (prefecture) in North China's Inner Mongolia Autonomous Region has increased from below 200 yuan before 1984 to 1,000 yuan now.

About 7,000 Russian-Chinese, mostly fourth generation, live along the banks of the Ergun River, farming, breeding cattle and fishing, said Pan Tailai, an official of Ergun Right Banner (county).

They live mainly in Qiqion, Shiwei, E'he and Heitoushan Towns, in Ergun Right Banner, accounting for half of the total population of the four towns.

During the "Cultural Revolution" (1966-1976), they were persecuted, but at the end of 1984, the Chinese Government allocated four million yuan to help rid them of poverty.

The Ergun Right Banner Government bought milk cows with the money and stipulated that each Russian-Chinese household should be given a cow.

Following recommendations by the Hulun Buir League Government, the State Nationality Affairs Commission agreed that the Russian-Chinese can declare themselves to be a Russian ethnic minority (Eluosi) and enjoy the state's preferential policies for ethnic minorities, including policies on family planning, employment, and education. More than 2,000 Russian-Chinese have now changed their status from Chinese (Han) to Eluosi.

The banner has also paid attention to selecting the Eluosi to serve in government. There are two Eluosi officials working in the banner government and 13 at township levels.

Northeast Region**Jilin Secretary Writes on Propaganda Work***SK0809220189 Changchun JILIN RIBAO in Chinese
13 Aug 89 pp 1,2*

[Text] Comrades:

I totally agree with the speeches on strengthening propaganda and ideological work made by Comrades Changchun and Zhongyu on behalf of the provincial party committee and the provincial government. I add the following two suggestions:

1. Fully understand the propaganda and ideological work's strategic position and great functions in reforms, opening to the outside world, and modernization.

We have drawn deep inspiration and lessons from the practices of reforms and opening the country to the

outside world since the 3d Plenary Session of the 11th CPC Central Committee, particularly, from the student unrest and the serious incident that developed from turmoil into the Beijing counterrevolutionary rebellion. Under the new historical conditions, the comrades of the whole party should pay close attention to and strengthen propaganda and ideological work, conscientiously sum up the lessons of suffering serious harm due to the negligence of propaganda and ideological work, realistically strengthen the leadership of the propaganda and ideological work, and bring into full play the functions for conducting propaganda and ideological work.

Comrade Deng Xiaoping pointed out long ago: "The overall work on the ideological front should be enhanced. We should solemnly put this matter in front of the whole party and the main work agenda of the party committees from the central to local levels." Comrade Chen Yun also seriously pointed out that if the economy is not well developed, the boat will possibly sink; and when there are problems in propaganda work, the boat will possibly sink, too. This fully shows the extreme importance of conducting propaganda and ideological work and strengthening the work in the ideological field.

To build socialism with Chinese characteristics, to implement unswervingly the line, principles, and policies set forth at the 3d Plenary Session of the 11th CPC Central Committee; to implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee; and to persist in the party's basic line of "a focus and two basic points" in the initial stage of socialism, we must strengthen ideological and political work, strengthen socialist spiritual civilization, build an accurate propaganda and media offensive and media environment, and have a clear-cut stand to adhere to the four cardinal principles and oppose bourgeois liberalization. In this sense, the work on the propaganda and ideological front is important in judging whether or not we can accurately persist in the party's basic line, what kind of country China will be, and whether China keeps to the socialist road or capitalist road. To the neglect of party building, spiritual civilization, the work in the ideological field, and propaganda and ideological work over the past years, we have directly suffered evil consequences, such as the growth of the ideas of seeking immediate benefits at the expense of lofty ideals, being too particular about personal gains at the expense of the overall interests of the country and the nation, and despising the motherland and the people, but worshiping and having blind faith in things foreign; the occurrences of the shallow, vulgar, and even corrosive practices; and the reappearance of various evil phenomena that had been stamped out in the initial stage of the founding of the PRC. Practices showed that the weakening of the propaganda and ideological work and the negligence of disseminating and accurately expounding the adherence to the four cardinal principles will certainly bring about theoretical and ideological confusion and dampen the people's enthusiasm and revolutionary spirit; and only when we strengthen propaganda and ideological work, attach

importance to the struggle in the ideological field, and resist the corrosive influence of capitalist ideas can we boost morale, be inspired with enthusiasm, overcome difficulties, and be ever victorious. During the war, we bravely and fearlessly defeated the enemy whose equipment and soldiers were several times more numerous than ours. An important reason was that we were fortified with strong ideological and political work. During the construction period in the Sixties, China suffered natural and man-made calamities. However, the people and the party worked with one heart and soul to tide over the difficulties. Our success in tiding over such big difficulties was because we had fine traditions for conducting ideological and political work and an accurate orientation for guiding propaganda and media work. Revolution and construction should be carried out by the people. Therefore, the people's spiritual state and ideological awareness directly affect the success of our undertakings. The reason the propaganda and ideological work is important is that only when we do a good job in propaganda and ideological work can an accurate orientation for guiding social mass media be formed, the party's cohesive force be enhanced, the people enhance their revolutionary spirit and fighting will, the nation enhance the sense of self-respect, self-confidence, and self-pride, and the spiritual strength be turned into gigantic material strength.

The people's practices are the main body and the people's spirit is the distillation of social practices as well as a product of history. The people's spiritual state, ideological awareness, and social psychology—the quality of the people—will bring about gigantic influence to social practices and effectively promote historical progress. Mankind should rely on a kind of spirit to conduct their activities, including satisfying the basic needs for their existence, and playing a dynamic role in conquering nature and transforming the world. "Mankind should have a kind of spirit." Being socialist laborers with awareness, life, pursuits, purposes, and creativeness, we should have a fine mental outlook, ideological awareness, and revolutionary spirit. In short, this revolutionary spirit is proletarian revolutionary spirit; a spirit of selflessly, fearlessly, and bravely marching forward; a spirit of being clear about what to love and what to hate; and a spirit of ardently loving the Communist Party, the motherland, the people, and socialism. This spirit is our Chinese nation's pillar for making advances as well as the basic guarantee for tiding us over various kinds of difficulties. The cultivation of this spirit is directly decided by our propaganda and ideological work. So, under the new situation, the propaganda and ideological work should be enhanced but not be weakened.

The occurrence of the antiparty and antisocialism turmoil and the counterrevolutionary rebellion in Beijing negatively gave us an earth-shaking lesson and made us realize that the Western capitalist powers have never given up their political and ideological infiltration of our country or their general strategy for "peaceful evolution" of the socialist countries. A sharp contrast between

socialist and capitalist ideologies still exists. And, the contrast cannot be coordinated. The overall international tendency of changing the tense situation to a lax one and turning confrontation to dialogue has not been changed yet. However, the lax situation does not mean there are neither fights nor a partly tense atmosphere; and dialogue does not mean there is neither confrontation nor fundamental contradictions between two social systems and between two ideologies. Nor does dialogue mean that the Western capitalist powers have given up their fundamental strategies for opposing the Communist Party and overturning the socialist system. However, some of our comrades have let down their vigilance against the Western capitalist powers' "peaceful evolution"; and do not have a clear understanding about the extremely complicated nature of the international struggle under the lax situation. Many situations, particularly the full performances by some countries, including the United States, in the turmoil and the rebellion, showed that the Western capitalist anticommunist and antisocialist powers where the United States plays a dominant role have never relaxed for a day their ideological and political infiltration and "peaceful evolution" in our country. After the failure to attain the goal of adopting military aggressive means in an attempt to overturn the people's republic in the fifties, the United States changed its direction toward ideological infiltration and conducted "peaceful evolution"; forcefully disseminated the sham "democracy, freedom, and human rights" of capitalism; and attempted to use various means to exert influence and to make the socialist countries change according to the pattern of Western countries. During the past years, the socialist countries have met with many difficulties in the course of development due to some mistakes in policy decisions and their failure to bring the advantages of socialist systems into full play. So, to take advantage of this, some countries started an antisocialism wave—"socialism leads to failure and capitalism revives"—and maintained that this was an absolutely good chance to conduct "peaceful evolution". So, they increased the ideological attacks, and positively supported and stirred up the thinking of bourgeois liberalization that emerged in socialist countries with the focus on advocating "human rights, democracy, multiparty system, and privatization." During the political disturbances in our country, the United States acted as a foreign plotter and organizer, and spared no pains to create rumors and provide supports. After our country quelled the counterrevolutionary rebellion in Beijing, the United States also adopted various means to impose so-called "sanctions" to interfere in our internal affairs. This also negatively reminded us that under the complicated situation, the anti-infiltration and anti-evolution is a long-term and complicated struggle and the propaganda and ideological front should have a clear-cut stand to regard the struggle against infiltration and evolution as its fundamental task and should truly use socialist thinking to occupy the ideological front. We should adopt forms of attacks, conduct a propaganda offensive, clearly distinguish truth from falsehood, use a powerful propaganda offensive to

expose the Western capitalist powers' plots and means of "peaceful evolution", upgrade the people's awareness, and upgrade the objectively historical certainty of socialism being bound to triumph over capitalism. Analyzing the international macroclimate of opposing infiltration and evolution, we must place propaganda and ideological work in an appropriate strategic position. Marx and Engels pointed out in "Communist Manifesto": "At any time, a dominant thinking is no more than the thinking of the ruling class." The capitalist class plays a dominant role in capitalist society. Therefore, the capitalist ideas have become dominant thinking, and its propaganda, agitation, and ideology have totally been guided by the dominant thinking of the capitalist class. Since our country is a proletarian socialist country, the proletariat is the leading class dominating our society, and the proletarian thinking should certainly be the thinking dominating our society. The propaganda and ideological front should certainly take proletarian thinking as a guidance for persuasion, inculcation, and education.

Based on the actual conditions of our province, I think we should also particularly stress the need to establish the following ideas when carrying out propaganda and ideological work.

First, we should establish the idea of respect for the party and party leadership. The CPC is the core of leadership for the people of various nationalities of China. The establishment of this core was not accidental, but was the historical choice of the Chinese people in their protracted revolutionary struggles. This was proven by the practice in China's revolution and construction. The CPC represents the interest of the broadest sections of people because it takes Marxism—the most advanced ideology of human beings—as its guiding ideology, and persistently takes the socialist road that conforms to the law governing objective historical development. In China, except for the Communist Party, there is not a party that is unanimously supported by the vast number of people, and capable of maintaining contacts with the masses. The multiparty system does not conform to the reality of China. The system of multiparty cooperation under the CPC leadership has been established in the process of the revolution and construction of China, and has vitality. Implementation of this system is a characteristic and also an advantage of the Chinese political system. Comrade Zhao Ziyang's "diminishing" party leadership made some people, including some party members, become very indifferent to the party and party leadership, and waver in their basic stand during recent political turmoil. At the critical moment when notably antiparty and antisocialism slogans, posters and big-character posters were all over the place, numerous rumors were spreading everywhere, and speeches and acts viciously attacking, slandering and humiliating party and state leaders continued, some people failed to remain clear-headed, and expressed sympathy and rendered support. They even went so far as to defy party discipline and admonitions, and give the speeches and

acts most incompatible with their titles and status as Communist Party members. This was a very serious problem. As a party member, one should maintain a firm idea of respect for the party and party leadership and, when faced with some important issues of principle, and cardinal questions of right and wrong, should first consider oneself as a party member, consider the interest and the leadership of the party, strictly abide by party discipline, carry out the policies, decisions and instructions of the party Central Committee, safeguard the prestige of the party, and defend the interest of the party. Only in this way can the party have a powerful cohesive force and combat strength, and lead the masses to make progress.

Second, we should establish the idea of serving the people wholeheartedly. Wholehearted service to the people is the purpose of our party, and also a fine tradition it has established for many years. However, for a period of time, some party members have forgotten this purpose, and lost the party's fine tradition. Some of them acted like an overlord, and were indifferent to the people's hardships. Others became the slaves of money, "doing everything for money's sake." Still others abused power for selfish gains, and tried their utmost to gain benefits for themselves; or violated law and discipline, and became degenerated. This damaged the party's image. We should firmly remember this lesson, and never divorce ourselves from the masses, and never forget to serve the people.

Third, we should establish the idea of respect for the legal system and discipline. Marx said: "The statute book is the Bible for the freedom of the people." A sign of a high degree of maturity of a nation is that it has a high degree of emotion and a high degree of reason. In social, political and economic activities, to pursue their own existence and development, human beings should continuously improve the rules and order for their own existence and development, that is, improve laws, the legal system, and discipline. A state should have state laws, and a party should have party discipline. Departing from law and discipline to stress so-called freedom means anarchy. We should never adopt antidemocratic measures to promote democracy, nor should we adopt antilegal system means to strengthen the legal system. A guarantee through laws and discipline is required if we are to maintain the unity of the party and the unity of the people, overcome all the hardships and dangers on the path of progress, realize the defined goals, and achieve social stability. This is actually a plain truth, but many people have failed to clearly understand it, and even went against it.

It should be made clear that freedom is not only a category of politics but also a category of science. On the one hand, if people lack the freedom of thinking and action, emancipation of the mind, creation and invention, and social progress will be out of the question. In this sense, freedom is not only a norm of value but also a tremendous material force. On the other hand, everyone lives in a social group, free but unable to go

without the binding and restriction of laws, discipline, order and even moral standards. Freedom without binding and restriction leads to the least freedom. Pursuit of absolute freedom by one person will lead to the absolute loss of freedom of others, and pursuit of absolute freedom by everyone will lead to the absolute absence of freedom of everyone. By the same token, democracy without party leadership, and democracy without the legal system, discipline, and order are never the democracy that the masses desire. Such democracy will only create ultra-democracy, and the serious rampancy of anarchism will damage the stable and united situation, and reenact the tragedy of the "Great Cultural Revolution." Only when it is legalized and institutionalized can democracy be truly realized. Judging from the history of the emergence and development of democracy, there is only concrete democracy and no abstract democracy; and there is only class democracy and no such thing as democracy transcending classes. Democracy signifies not only enjoyment of certain rights and freedom but also commitment of certain obligations and responsibility; not only a guarantee of the rights and freedom of a certain person but also a guarantee of the rights and freedom of all citizens. Interpretation of socialist democracy and freedom as doing everything as one wishes, and defying laws human and divine is actually going counter to democracy and the legal system. We should resolutely change the situation in which laws are not observed, and laws and discipline are not strictly enforced, and strengthen the people's idea of respect for laws, the legal system, and discipline.

Fourth, we should foster an idea of arduous struggle and thrift. Arduous struggle and thrift are fine traditions of our party as well as our precious heritage to defeat the enemy and tide over difficulties. The spirit of arduous struggle and thrift cannot be ignored even for a single day, whether difficult or smooth. We should take arduousness and honesty as an honor, and extravagance and waste as a disgrace. "We should understand that grain and rice are hard-gained and we should always remember the days we wore worn-out clothes." To foster an idea of arduous struggle and thrift, we should clearly understand what kind of country China is and what kind of country China will build itself into; what demands should be set on us; and what spirits should be carried forward. This is not only a matter of the people's livelihood and the style of work but also a great matter for our party and government—to maintain administrative honesty and establish ties with the masses.

Fifth, we should foster an idea of self-pride, responsibility, and honor stemming from collectivism. Marx and Engels pointed out in "German Ideology": "The development of a man depends on the development of the men whom he directly or indirectly keeps contact with." In other words, an individual gains the means for comprehensively developing his talents only from the harmony of the group. The development of an individual and that of a group condition and supplement each other. The development of a group should be realized

through the development of each individual. And, the development of an individual should depend on the conditions and environment provided by the group. Not respecting or encouraging the individuals' pioneering spirit, competitiveness, and enterprising spirit is not conducive to social progress. But if we only place stress on individuals' vitality at the expense of the group's cohesive power and only pay attention to the interests of the individuals at the expense of the development of the group, the people shall weaken their idea of collectivism and lose the idea of collective pride, responsibility, and honor as time passes. This is even more harmful. Only when we link the individuals' enterprising spirit with collectivism and have a strong sense of collective honor can we have conditions for bringing into play the individuals' wisdom and intelligence. Divorced from the collective, the individual, no matter how capable he is, will find it difficult to accomplish anything. The enterprising spirit and the awareness of a group, which we advocate, are the sense of self-pride, responsibility, and honor for the collectives and groups. Only by having such an idea, awareness, and spirit can an enterprise, a city, a nation, and a country gain a kind of cohesive power and centripetal force.

2. Strengthen the party's leadership over propaganda and ideological work.

The fundamental key to strengthening party building hinges on ideological construction. An important factor for the party's ideological construction is that the whole party should pay great attention to and realistically strengthen propaganda and ideological work. We must firmly grasp the leadership over the ideological work, strengthen the party's leadership over propaganda and ideological work, realistically oppose bourgeois liberalization, and truly let socialist ideology occupy the ideological front.

First, propaganda and ideological work should be placed high on the agenda of the party committees at various levels. 1) It is imperative to foster the idea that the entire party pays attention to propaganda and ideological work. Propaganda and ideological work is one concerning the overall interest of the party. It is not only a task for propaganda and for ideological and political work departments, but also an important task of the party which concerns all fields, fronts and departments. Therefore, the entire party should pay attention to it, and all other departments should also do so. Not only should party committee secretaries attend to it personally and on a regular basis, but also Standing Committee members and members of party committees should attend to it. Party committees should strengthen unified leadership over the work of the various departments in the ideological field, no matter whether or not they are subordinate to party committees or governments. 2) It is imperative to enhance our sense of urgency and responsibility for carrying out propaganda and ideological work. Our greatest mistake in the past 10 years was our weakening ideological and political work. Our being strong in economic work and weak in ideological and

political work led to the rampancy of bourgeois liberalization. In view of the lesson that we were not consistent enough in upholding the four cardinal principles and were not resolute and thorough in opposing bourgeois liberalization in the past, currently we should particularly take a clear-cut stand against bourgeois liberalization, and strengthen the positive voice of the four cardinal principles. The current struggle pressingly requires that party organizations at various levels enhance their sense of urgency and responsibility for successfully carrying out propaganda and ideological work, and increase their awareness and initiative in attending to the work in the ideological field. 3) Party committees at various levels should truly place propaganda and ideological work in an important place, and carry it out successfully. When we say that we should change the situation of "being strong in one field and weak in the other," we do not mean that we have been wrong in being strong in one field. What we mean is that we should strengthen the field in which we have been weak. The economy is the foundation. If the economy is not developed, social stability and the four modernizations will be out of the question. The 13th party congress pointed out once again that the major contradiction we encounter in the present stage is one between the ever growing material and cultural needs of the people and the backward social production. Developing social productive forces is the fundamental task of socialism. In persistently taking economic construction as the central task, upholding the four cardinal principles and reform and opening up are the basic points of the line, principles, and policies laid down since the 3d plenary session of the 13th party Central Committee, and also the resolution of the 13th party congress. Comrade Xiaoping said that not even a word or phrase should be altered in implementing the line, principles, and policies laid down since the 3d plenary session of the 13th party Central Committee, and that the report to the 13th party congress was approved at the party congress, and not a word of it should be altered. To correctly understand the guidelines of Comrade Xiaoping's speech, we should continue to take economic construction as the central task, never for a moment slacken efforts in it and, meanwhile, greatly step up efforts in building the spiritual civilization, and place propaganda and ideological work in an important place in the work of party committees. After studying the documents of the fourth plenary session of the party Central Committee and the recent several important speeches given by Comrade Deng Xiaoping, and conscientiously summarizing experiences and lessons, we should formulate realistic and feasible plans and targets for propaganda and ideological work, clearly define the guiding principles and tasks for the propaganda and ideological work in various periods in line with the requirements of the party Central Committee and the party committees at higher levels, summarize and popularize in a timely manner the advanced examples in propaganda and ideological work, and do a good job in giving guidance through positive examples. The provincial party committee urged that from now on,

party committees at various levels should concentratively discuss and study propaganda and ideological work once or twice a year and strive to discuss and study the work once every 6 months on the premise that the provincial party committee plays a leading role. Meanwhile, party committees at various levels should analyze the situation in conducting propaganda and ideological work, sum up experiences and lessons in timely manner, and study and work out countermeasures and measures. Party committees at various levels should form a system to conduct the propaganda and ideological work and persist in it for a long period of time.

Second, we should realistically strengthen the leadership over the ideological and political work of the grassroots units, and feasibly improve ideological and political work in terms of its contents, forms, and methods. The grassroots units, particularly state-owned large and medium-sized enterprises and institutions of higher learning, are the foundation of society as well as the focus of ideological and political work. The key to truly having socialism occupy the ideological front is to attend to the ideological and political work among enterprises, schools, and rural areas. A matter of crucial importance is to bring the functions of grassroots party organizations into full play. Viewing the ideological and political work of the grassroots units, particularly, enterprises and schools, we know that we should attend to the work in three fields. 1) We should define the role of grassroots party organizations, particularly the party organizations of enterprises and schools, in conducting ideological and political work. We should specify that ideological and political work should be the central task of party organizations no matter what systems are carried out. Party organizations should play a role as the political core of the units that they belong to and should justly and forcefully attend to the ideological and political work. In line with new actual conditions, we should persist in and apply the basic principles and precious experiences in regard to ideological and political work accumulated by the party over a long period of time. 2) We should accurately understand and handle the relationship between enterprises' leadership system and ideological and political work. Practices showed that there were great malpractices in the previous enterprises' leadership system through which plant directors assumed full responsibility for administrative management under the leadership of party committees. Under the new situation in developing the socialist planned commodity economy, we have achieved good results in carrying out the plant director responsibility system. However, some problems still exist. Since the orientation to carry out the leadership system of plant director assuming responsibility for administrative management is accurate, the system should be persisted in but must not be shaken. We must not simply attribute the weakening of enterprises' ideological and political work to the reform of the leadership system. The weakening of enterprises' ideological and political work resulted from the facts that some principal party leaders committed serious mistakes by negatively carrying out the principle of adhering to

the four cardinal principles and opposing bourgeois liberalization and ignoring party building, spiritual civilization, and ideological and political work. Therefore, we should accurately understand and handle the relationship between enterprises' leadership system and their ideological and political work, draw on the experiences of the people's liberation army to organically coordinate the leadership system with the ideological and political work, and pool the efforts of party committees and plant directors to cooperatively intensify the enterprises' ideological and political work. 3) We should stabilize and strengthen the ranks of political workers among the grassroots units and enterprises. Each and every grassroots unit and each and every enterprise should have a rank of keen-witted and capable ideological and political workers. Enterprises should provide, according to regulations, full-time political work cadres. We should assimilate in a planned manner a group of comparatively outstanding comrades to strengthen the ranks of political workers. The units where the ranks of political workers have been weakened or eliminated should immediately restore and intensify the ideological and political work. The ranks of political work cadres should improve their ideological, organizational, and professional work; strengthen the improvement of their workstyle; and strive to upgrade their political understanding and professional ability. We should concern ourselves with political work cadres and have them bring a key role in conducting ideological and political work. The work in these three fields is clearly defined in the circular of the CPC Central Committee on strengthening propaganda and ideological work that will soon be issued. So, we should carry out the work according to the document of the CPC Central Committee.

Third, we should truly mobilize social forces to attend to propaganda and ideological work. Propaganda, ideological, and political work is a matter not merely for party committees and the departments in charge of propaganda, ideological, and political work, but a matter for the whole party and the whole society. We must fully rely on and bring into play the forces of the whole party and the whole society, and mobilize all positive factors to promote propaganda and ideological work.

The key to pooling the efforts of the whole party and the whole society hinges on rationalizing the system. This issue is clearly defined in the circular of the CPC Central Committee. Generally speaking, the party committees should assume full responsibility for the propaganda and ideological work. The ideological work of the province should be carried out under the unified leadership of the provincial party committee. As an overall functional department in the ideological field under the provincial party committee, the propaganda department should specifically assume responsibility for the propaganda and ideological work. The issue concerning the system is comparatively complicated. Through the changes over the past years, we should sum up some experiences. According to the guidelines of the central authorities and the province's actual conditions, we should prudently

rationalize the system. At the time of rationalizing the leadership system, we should strengthen the cultivation of propaganda and ideological work cadres, and provide them with conditions for upgrading their creativity. This is the key foundation for conducting propaganda and ideological work. As educators, the propaganda and ideological work cadres can have an extraordinary impact on the masses. Thus, we must set high and strict demands on them. To educate the people to foster a firm revolutionary belief, propaganda and ideological work cadres should first foster a firm belief. To attend to the work toward the masses, we should first go deep into reality to understand the masses and set an example for the masses. We should sum up experiences and draw lessons in this regard. Under the current situation, we should pay particular attention to overcoming the tendencies of delivering idle sermons, being divorced from reality, and departing from workers, peasants, and the masses. We should adopt various forms of methods to strengthen the cultivation of propaganda and ideological work cadres; and ensure that they not only have a higher-level understanding of Marxist and Leninist ideological theories and master the party's principles and policies, but also go deep into reality to master the practices of reforms and construction and to help the masses solve their practical problems. With definite objectives, a firm stand, and a clear-cut attitude, the propaganda and ideological work cadres should help the people foster confidence and gain forces, and unite with and arouse the masses to advance together. We must make efforts to do so.

Governments at various levels should attach importance to and support propaganda and ideological work. Not only should they put forward demands on the propaganda and ideological work in various periods, but they should also provide necessary manpower, materials and funds to the propaganda and ideological front, and rely on the propaganda and ideological front to successfully perform their work.

Fourth, we should pay attention to the theoretical study of Marxism-Leninism-Mao Zedong Thought of leading cadres at various levels. Engels said: "To stand at the highest point of science, a nation should never for a moment lack theoretical thinking." Only thoroughness in theory is the manifestation of true strength, and maturity in theory is the foundation for a nation to truly walk toward maturity. The current tasks to thoroughly clarify right and wrong in basic theory remain very arduous. Because the trend of thinking of bourgeois liberalization went rampant to a serious extent in the past few years, a great confusion in thinking and theory resulted. Lacking a firm theoretical foundation, some cadres neglected or slackened efforts in making progress in thinking and theory, were used to treating symptoms but not the disease, paid attention to immediate interest to the neglect of long-term interest, and brought about temporary solutions without getting at the root. To resolve truly the issue of taking the initiative in upholding the four cardinal principles and opposing

bourgeois liberalization, and correctly adhere to the basic line consisting of "one central task and two basic points," leading cadres at various levels, particularly high- and middle-ranking cadres, should first intensify the theoretical study of Marxism-Leninism-Mao Zedong Thought, enhance their theoretical thinking, improve their theoretical quality, and have great interest in theory. They should pay attention to studying theory in line with the actual conditions in reform, opening up and the modernization drive, and the problems exposed during the current major struggle. They should also regard the study of philosophy as an important part of their theoretical study because they will benefit from it all their lives. Marxist philosophy is the foundation of the ideological theory of the party. During their study activities, leading cadres should give prominence to it, which is the focus, to lay a good foundation.

Leading cadres at various levels should be organized group after group at different times, and in a well-organized and planned manner to conduct the theoretical study of Marxism-Leninism-Mao Zedong Thought. The Propaganda Department of the provincial party committee should coordinate with the Organization Department and the party school of the provincial party committee, and other relevant departments to formulate plans for intensifying cadres' study of the theory of Marxism-Leninism-Mao Zedong Thought. A cadres' study system should be established and improved, and the content, times and rotational training methods of the study should be specified. Organization departments at various levels should regard the Marxist theoretical accomplishment of cadres as a criterion for judging whether they are revolutionary, and for evaluation when selecting and promoting cadres. As long as the entire party attaches great importance to the theoretical study of Marxism-Leninism-Mao Zedong Thought, and continuously improve the theoretical level of cadres in Marxism-Leninism-Mao Zedong Thought, we will be able to lead the people throughout the province to push forward reform, opening up and the modernization drive.

Northwest Region

Gansu Leaders Review Achievements

HK2009075389 Beijing RENMIN RIBAO in Chinese
13 Sep 89 p 4

[Article by Li Ziqi, secretary of the Gansu Provincial CPC Committee, and Jia Zhijie, governor of Gansu Province: "Struggle Arduously To Eliminate Poverty and Become Rich"]

[Text] Our great socialist motherland has gone through a 40-year brilliant course. Like all places throughout the country, Gansu has had earthshaking changes over the past 40 years.

For a long period, Gansu has been a piece of unfamiliar and mystical land in the people's eyes. Although the

eyecatching Silk Road and Dunhuang Mogao Grottoes are here, what impresses people most deeply is a piece of boundless desert and infertile loess plateau. "The soil in Gansu is the most infertile under heaven" and the "spring breeze does not pass Yumenguan." This was the true portrayal of the masses' poor livelihood and the harsh natural conditions. However, this one page has already become a past record in the wake of the 40 years of development and changes.

Over the past 40 years, under the leadership of the CPC, the people of all nationalities in the whole province have struggled arduously and unrelentingly along the socialist road to be lifted out of poverty and backwardness, and they have scored great achievements. In agriculture, 289 large, medium-sized, and small reservoirs and some 120,000 hydroelectric waterlifting irrigation stations have been built so that the areas of the effective irrigated fields throughout the province have developed from some 4 million mu in 1949 to some 13 million mu, and the gross output of grain from 2.06 million tons to 5.93 million tons. Modern industry has grown out of nothing and developed from a small one to a large one. The total number of enterprises has reached some 6,000, forming the systems of energy resources, iron and steel, nonferrous metallurgy, petrochemical industry, and machine-building industry with the Lanzhou Chemical Industry Company, the Lanzhou Oil Refining and Chemical Industry General Plant, the Baiyin Nonferrous Metal Company, the Jinchuan Nonferrous Metal Company, the Jiuquan Iron and Steel Industry Company, the Lanzhou Petrochemical Industry Machinery Plant, and the Liujiaxia Hydroelectric Station as the representatives. In communications, posts, telecommunications, and transportation, a transportation and communications network linking the northwest with all places throughout the country has taken shape. All causes, including science, technology, culture, education, and public health, have developed greatly.

Since the 3d Plenary Session of the 11th CPC Central Committee, there has been 10 years where Gansu has advanced with giant strides. Party organizations at all levels, the party members, and the cadres throughout the province have lead the people of all nationalities to adhere to the four cardinal principles and the policy of reform and opening up; centered around economic construction; and have created the best period of continuous, steady, and healthy economic development in the whole province. The whole province's gross social output value and its gross national product are 200 percent and 124 percent respectively more than 10 years ago. Grain production has steadily increased for 7 consecutive years, and set the highest record in history this year. The number of poor rural areas has dropped from 65 percent to less than 20 percent. Damage to the vegetation has already ceased in the central dry region, with Dingxi as the representative; and the masses' clothing and food have improved very greatly. These places considered "unimproved" for a long period of time have initially

found a way and seen prospects. Propelled by construction in "Sanxi," Hexi Region—whose natural conditions are relatively good—has already become an important commodity grain base.

Difficulties and hardships have tempered and molded the special indomitable, unrelentingly self-improving, and progress-making character of some 20 million people of various nationalities in Gansu and their consciousness for making the country strong. During the 40-year course, the people of Gansu have come to know more profoundly: To change the poor and backward situation, it will not work if we rely only on heaven, nor will it work if we rely only on "waiting" and "asking"; only by relying on hard work and diligent labor can we be lifted out of poverty, achieve vitalization, and move toward prosperity. Gansu's 40 years of achievements have been scored with the persevering and unrelenting efforts of the cadres and the masses, one generation after another, who arduously did pioneering work on this piece of land in the past and are the rich fruits borne by hard work, solid work, and arduous struggle.

The 40 years of achievements are great and the tasks are even more arduous in the future. On the basis of the "three-step" economic development strategy determined by the CPC Central Committee and centered round our province's current target of lifting our province out of poverty and making it rich, we must carry forward even further the revolutionary spirit of hard struggle, and use this glorious tradition of the party to guarantee the implementation of the party's basic line.

According to the demands of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, we must now organize and mobilize all people throughout the province to do Gansu's work even better with the spirit of hard struggle. We must unswervingly keep in line with the CPC Central Committee, consistently adhere to the four cardinal principles, and firmly oppose bourgeois liberalization. We must fully utilize the strong points of the resources of Gansu and carry out reform and opening up more boldly. We must effectively do a good job in improvement and rectification and keep up continuous, steady, and healthy economic development in the whole province. We must further consolidate and develop the political situation of stability and unity and create a good social and political environment for reform and construction.

In such a province with a relatively poor foundation and conditions like Gansu, the achievement of our great target is, no doubt, an extremely arduous cause. Compared with our fraternal provinces and regions, we must exert even greater efforts. "While other people need one-fold efforts, we need ten-fold efforts; while other people need ten-fold efforts, we need one-hundred-fold efforts." In every step we advance, we must use greater energy than other people do. We firmly believe that as we have the guidance of the correct party line, principles, policies; the cherished tradition of hard struggle; the

unrelentingly self-improving, pioneering, and progress-making spirit; and 21 million indomitable people of various nationalities, even greater difficulties cannot hinder us from advance.

Gansu Secretary Reaffirms Rural Policies

HK2009013789 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 19 Sep 89

[Excerpt] Li Ziqi, secretary of the provincial party committee, stressed at Jiuquan on 18 September that the agricultural issue remains the key to the province's [words indistinct], and it is essential to persevere in putting agricultural production on the forefront of all work. The contract responsibility system with remuneration linked to output, based on the household, will not be changed, but it should be continuously improved.

Li Ziqi said that Gansu's agricultural situation is very good this year, and this is another bumper year. This could not have been achieved without the party's good rural policies. We should clearly proclaim to the masses that the rural policies will not be changed; however, they should be continuously improved in the course of implementation. In the Hexi region, it is appropriate to organize some farming operations on a considerable scale, but we must by no means reconcentrate the small plots of land being contract-farmed by the individual households. The grass-roots cooperative economic organizations in the rural areas can only be formed naturally through establishing rural service systems and so on, on the basis of not going against the peasants' wishes, and by helping to perfect the policies and develop production.

Li Ziqi also said that the grass-roots rural organizations in Jiuquan Prefecture have always been comparatively good, but they still need continuous improvement to act as a stimulus for the whole province. Party work in the rural areas must be grasped really well, and the party members must genuinely play a model and leading role. This role should be systematized and standardized. [passage omitted]

Qinghai Secretary Lists Provincial Achievements

HK1909132689 Beijing RENMIN RIBAO in Chinese
15 Sep 89 p 4

[Article by Yin Kesheng (1438 0344 0581), secretary of Qinghai Provincial CPC Committee: "Fight Arduously to Build Qinghai"]

[Text] Over the past 40 years since the founding of New China, Qinghai has made great achievements in socialist construction and earth-shaking changes have been made on the Qinghai Plateau. In the past, Qinghai was occupied by warlords, plagued by turmoil and wars, and devastated by winds, sands, and natural disasters. Today, it has become a new and rising production base in the west of the motherland. Through 40 years of development and construction, radical changes have occurred in Qinghai's economic structure and social

development. Modern industry has been built up from nothing; transportation, postal services, and communications have been developing continuously; rural and urban commerce and foreign trade are getting brisk; and the economy has shaken off the backward condition of the natural economy solely supported by agriculture and animal husbandry. The economic strength of this province has been markedly increased. The total annual industrial output value of this province increased 160 times in 1988 as compared with that in 1949 according to the comparable price; the output value of agriculture and animal husbandry was 4 times as much as that before the liberation; the output of major animal products has been doubled and redoubled; the total industrial and agricultural output value increased 16.03 times; and local financial revenue in 1988 increased 127 times as compared with that in 1951. The people's living standards have been greatly raised. In 1988, the per-capita income of peasants and herdsmen reached 492 yuan, and most peasants and herdsmen can now get sufficient food and clothing. The masses have markedly improved their food, clothing, and housing conditions. Educational, cultural, and public health undertakings in Qinghai have also been greatly developed.

The rapid economic development has also promoted the vigorous development of undertakings in all fields, and has laid down a foundation for large-scale development of Qinghai. Today, Qinghai has become one of the major areas that the state is developing in the western region. Rich resources exist in the vast land of Qinghai, where there are sources of rivers, downwarp basins, and prairies. Since the 3d Plenary Session of the 11th CPC Central Committee, reform and opening up have brought new vigor to Qinghai's economic development. The productive forces in this province have risen to a higher level, and a new period for Qinghai's construction has begun. In recent years, with the state's assistance and support, a number of key projects have been successively started and completed, and unprecedented progress has been made in the development of hydropower, salt, petroleum, and various mineral resources. In the future, a power industry located in the upper valley of Huanghe, a raw material industry located in Qaidam Pendi, a chemical industry and nonferrous metallurgical industry based on the development of the salty lakes, an industry producing native goods with the characteristics of the nationalities on the plateau, an industry to process animal products, and the tourist industry on the plateau will all flourish in Qinghai and will have broad prospects. In order to make full use of local resources and bring local economic advantages into play, in recent years, while continuing to develop agriculture and animal husbandry, we have also further adjusted the economic structure; speeded up the development of resources; gave priority to the development of resources, energy, raw materials, and local processing industries; made efforts to improve product quality; improved technological conditions; upgraded the product mix; actively developed lateral economic association; and promoted the steady development of economic construction.

In retrospect, the experience and changes in Qinghai in the past 40 years made us feel deeply that the leadership of the CPC and the socialist system provide the guarantee for our victories and constitute the sources of our strength. Without the leadership of the CPC and the socialist system, there would be no happiness for the people in Qinghai and no development and progress in Qinghai today.

The experience in the past 40 years also showed that in Qinghai—to ensure development, social progress, and the people's well-being—we must attach great importance to strengthening nationality unity and must always maintain and carry forward the pioneering spirit of hard work and plain living. Socialist construction in Qinghai is carried out against a rather low level of productive forces and under backward economic and cultural conditions. The natural environment for our construction is still rather crude and tough. So it is of special significance to maintain nationality unity and to carry forward the spirit of hard struggle in order to enable the people of all nationalities in Qinghai to lead a prosperous and well-off life. We must be united as one and work in a down-to-earth manner to implement creatively the central policies in connection with the realities in Qinghai. All our local policies and measures must be in line with Qinghai's specific conditions and with the wishes and demands of the people of all nationalities in Qinghai, thus bringing real benefit to them through our wholehearted work. So long as we implement firmly the party's line, principles, and policies since the third plenum; adhere to the four cardinal principles; persistently carry out the reform and open policy; and make unremitting effort, Qinghai will get rich very quickly.

Qinghai Secretary Addresses Ethnic Unity Meeting

*HK2109023389 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 20 Sep 89*

[Excerpts] The second Qinghai provincial gathering to commend advanced representatives in ethnic unity was solemnly convened in the provincial people's hall on 20 September. Governor Song Ruixiang presided. Yin Kesheng, (Jin Jipeng), Sang Jiejia, Ma Wanli, Huanjue Cailang, Bian Yaowu, Bainma Danzing, Wu Chengzhi, Duo Ba, and Lu Baoyun—leaders of the party, government, and army in the province—attended the gathering. Zhuo Jia, vice chairman of the State Nationalities Affairs Commission, came specially from Beijing to attend the function. [passage omitted]

Yin Kesheng, secretary of the provincial party committee, made an important speech entitled "Implement the Spirit of the Fourth Plenary Session and Vigorously Step up Nationalities Work." (Cai Dan), director of the provincial Nationalities Affairs Commission, delivered a report entitled "Hold Aloft the Banner of Ethnic Unity and Promote the Prosperous Progress of the Nationalities." [passage omitted]

On the future tasks and goals of endeavor, (Cai Dan) said that the main tasks in nationalities work in Qinghai at

present and for a time to come are—guided by the spirit of the fourth plenary session—to implement seriously the spirit of the third enlarged plenary session of the seventh provincial party committee; to carry out thorough propaganda and education in nationality policy and education in loving the CPC and socialism, upholding the unity of the motherland, and opposing separatism; to conduct education in one focus and two basic points; to strengthen further the centripetal force and coherence of the people of all nationalities in the province, and consolidate and develop new-style socialist relations between nationalities; to promote economic, cultural, and scientific and technological progress in the nationality areas; and to be bold in exploration and pioneering, and do a even better job in nationalities work. [passage omitted]

Shaanxi Secretary Considers Education Issues

HK1909023389 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 19 Sep 89

[Excerpts] [passage indistinct] When certain leaders encounter practical problems, they always push education to one side. This is wrong. In conjunction with his investigation of education in Shangluo, Zhang Boxing realized that to deal with the problems facing education, we must apply the Yanan spirit of self-reliance and arduous struggle. The party committees and government at all levels must put the question of education in an important place on their agenda and periodically study and discuss it. Each discussion should resolve one or two practical problems. The leading responsible persons of the party and government at all levels must regularly be concerned for education work, and the leaders in charge of this work must devote great energy to tackling it. [passage omitted]

Zhang Boxing said that the party committees of tertiary education institutes must provide all-around leadership over ideological and political work. Under the leadership of the party committees, it is necessary to build a crack ideological and political contingent combining full-time and part-time personnel. [passage omitted]

Xinjiang Leaders Report Region's Accomplishments

OW1009093689 Beijing XINHUA in English
0651 GMT 10 Sep 89

[Text] Beijing, September 10 (XINHUA)—Great achievements have been made in six major economic sectors in Xinjiang Uygur Autonomous Region, northwest China, in the past four decades since founding of

New China in 1949 and particularly in the past decade-long reform, according to today's PEOPLE'S DAILY.

An article written by the regional party committee Secretary Song Hanliang and regional government Chairman Tomur Dawamat in today's "PEOPLE'S DAILY" listed the changes.

In agriculture and animal husbandry, the article said, the region has added more farmland improvement projects, especially irrigation facilities, and this has helped achieve good harvests for 11 consecutive years.

The region's per capita number of livestock is 2.8 times the national average, per capita cotton output ranks first and per capita grain output ranks seventh among the 30 provincial-level areas in China. The region, which used to partly depend on grain supply from other parts of China, has grain surplus.

Second, petroleum and petrochemical industries have developed rapidly in the region. While expanding the production capacity of Karamay oilfield, breakthroughs have been made in geological surveys in both south and north Xinjiang, which will fuel the development of the region's economy in the coming years.

Third, geological surveys and scientific studies during the 1986-90 period have proved that Xinjiang, located on the non-ferrous metal reserve belt extending from Gansu Province to the Kazakh Soviet Socialist Republic, abounds in copper, nickel, lead, zinc and gold mineral resources. The discovery has laid down a sound foundation for the development of non-ferrous industries in the future.

Fourth, the region has a proved reserve of 1.9 billion tons of salt which spread along railways.

Fifth, Xinjiang's food processing, textile and light industries have been well-fledged.

Sixth, coal and power industries have developed rapidly and can meet needs of local economic development, and railways, highways, telecommunications facilities have been improved remarkably.

The article said that a new railway line is now under construction and it is expected to link the region with the Soviet Union next year, facilitating its contacts with Europe and Asia.

The two regional leaders pledged that they would accelerate the region's construction by adhering to the reform and opening policy and using the local abundant natural resources.

Li Huan Holds Dinner for Dominican Leader*OW2009064700 Taipei CNA in English 0331 GMT
19 Sep*

[Text] Taipei, Sept. 19 (CNA)—Premier Li Huan Monday [18 September] praised prime minister Mary Eugenia Charles of the Commonwealth of Dominica as one of the most distinguished statesmen in the Caribbean region.

Li was speaking at a dinner in the grand hotel in honor of Charles, who flew into Taipei Friday for a six-day visit to the Republic of China on Taiwan.

In spite of geographical distance between the Republic of China and the Commonwealth of Dominica, both countries share the same view in the pursuit of freedom, democracy and the rule of law, Premier Li said.

Charles had severely denounced the Chinese communist regime's suppression of the peaceful demonstrations in the June 3-4 Tienanmen incident. Li lauded Charles for his [as received] efforts to safeguard international justice.

Li hopes that relations between both the people and governments of the two countries will be further cemented in the future.

Shortly before the dinner, Li had conferred the order of propitious clouds with special grand cordon on Charles in recognition of his [as received] contribution to promoting the ties between the two countries.

Charles told the present guests that he [as received] has long treasured the friendship with the Republic of China and hopes that his [as received] country will learn from the Republic of China's successful development experiences.

Li Teng-Hui Receives Democratic Union Chairman*OW2009064389 Taipei CNA in English 1133 GMT
19 Sep 89*

[Text] Taipei, Sept. 19 (CNA)—President Li Teng-hui Tuesday received Kaare Willoch, chairman of the International Democratic Union (IDU).

Willoch, Norwegian member of the Storting (parliament) and leader of the Conservative Party, met President Li at the presidential office at 3 p.m. Willoch served as prime minister from 1981 to 1986.

Dr. James Soong, secretary general of the Kuomintang, gave a luncheon in Willoch's honor at noon. Willoch arrived in Taipei Monday [18 September] for a three-day visit to the Republic of China at Dr. Soong's invitation.

In the afternoon Willoch visited the World Trade Center in Taipei and paid a courtesy call on Vice Minister of Foreign Affairs Cheng Chien-jen.

Willoch, who is visiting Taipei on his way to Tokyo to preside over an IDU conference, said he was greatly impressed by the economic progress the Republic of China has made in the past decade.

He is scheduled to wind up his visit here and leave for Tokyo Wednesday.

KMT Secretary General To Attend IDU Meeting*OW1909024789 Taipei CNA in English 1531 GMT
18 Sep 89*

[Text] Taipei, Sept. 18 (CNA)—James Soong, secretary general of the ruling Kuomintang's [KMT's] Central Committee, will lead a delegation to Tokyo Wednesday [20 September] to attend the fourth biennial meeting of the International Democratic Union [IDU]. KMT sources said Monday.

This will be the KMT's highest-level delegation ever to an international political party conference.

Other leading politicians at the IDU meeting will include British Prime Minister Margaret Thatcher, Japanese Prime Minister Toshiki Kaifu, American Vice President Dan Quayle, and former French Prime Minister Jacques Chirac, sources said.

Soong will be attending the Tokyo meeting as an observer, the sources said, as the KMT is taking a let-it-be attitude towards becoming a full member because [words indistinct] require the unanimous approval of existing members.

Established in Tokyo in 1983, IDU is headquartered in London. Economically, it stresses the liberal economic system and the privatization of state-run industries; politically it calls for freedom, justice and democracy.

Delegation Attends Montreal Energy Conference*OW2009132789 Taipei CNA in English 0249 GMT
20 Sep 89*

[Text] Ottawa, Sept. 19 (CNA)—More than 4,000 government officials, energy and environment experts, as well as academics from all over the world are attending the 14th World Energy Conference this week in Montreal.

The Republic of China is represented at the week-long conference by a delegation consisting of industry representatives and government officials.

The theme of the conference, which opened Sunday [17 September] at the Palais des Congres (convention center), is "energy tomorrow." Over 200 presentations will focus on four areas: energy and society, energy and the environment, energy and the economy, and energy and technology.

Prime Minister Brian Mulroney opened the conference, held every three years, with much fanfare—a Las Vegas-style stage show complete with lasers and smoke machines featuring singing and dancing.

Environment is the center of attention of the conference. Demonstrators gathered at conference site Sunday, asking the delegates to put priority on renewable, non-polluting energy sources, particularly solar energy.

Addressing the opening ceremony, Mulroney said both the consumer and the industry should share the blame for pollution. He said:

"The polluter is us. It is we, the consumers, who decide what life styles we want to lead. It is we, the consumers, who decide what kind of products to buy. Ultimately, it is we, who will ensure that we will have it both ways—a sound environment and a strong economy, fuelled by efficiently and effectively used energy."

The conference ends Friday.

Credit Tightening Measures To Continue

OW1909024589 Taipei CNA in English 0238 GMT
18 Sep 89

[Text] Taipei, Sept. 18 (CNA)—Vice Economics Minister Wang Chien-shien said last Saturday [16 September] the government does not encourage capital export for the time being.

However, under the government's "conditional" foreign investment policy, tax incentives are given to investments that will acquire energy, agricultural and industrial raw materials, and technology, Wang noted.

With the relaxation of controls on foreign exchange, small and medium businesses do not require a government permit to invest overseas, according to the vice minister.

The government will still provide information to them so that they will not be swindled in other countries, Wang said.

Meanwhile, the ministry's commodity price supervisory board predicted that this year's consumer price growth will be around 4 percent.

The consumer price index for the first eight months of this year grew 4.29 percent.

Ministry officials said that during the fourth quarter, there will be several favorable factors for controlling the price hikes.

These include decreased inflationary pressure in major countries, continued stability of international oil prices, and the government decision to continue to tighten money supply, they pointed out.

They warned, however, that rises in food prices, house rent and tuition, plus the wild-running stock market, may affect housing as well as the general commodity prices.

So it is crucial for the government to continue its credit tightening measures which will result in modest rises in commodity prices, they noted.

Beef Import Ban Partially Lifted

OW2109082089 Taipei CNA in English 0258 GMT
21 Sep 89

[Text] Taipei, Sept. 21 (CNA)—The Board of Foreign Trade announced Wednesday that the ban on the import of both "good" grade beef and beef carcasses will be lifted Thursday, only two days after import permission had been halted.

But the ban on beef shank, brisket, plate, flank and round, which have been the bulk of beef imports, remains effective.

A board official said that more meetings will be held with the Council of Agriculture to decide whether the partial ban will also be lifted. Final results will be made public at the end of September, he added.

According to board statistics, among imported beef during the first half of 1989, carcass was put at 21 tons, "good" grade beef reached 6,831 tons, and the rest accounted for 10,147 tons.

Earlier in the day, Economics Minister Chen Li-an had ordered his two deputies to brief the press on the temporary ban in order to avoid unnecessary international trade disputes.

It was reported that the United States and Australia, two major beef suppliers to Taiwan, have expressed serious concern to the government of the Republic of China over the incident.

The announcement of the import ban, Vice Economics Minister Wang Chien-shien explained, came without any prior sign, because the Board of Foreign Trade was afraid that importers might import tens of thousands of tons of beef and hoard for speculation if they got wind of the ban ahead of the announcement.

"Under that situation, the importers could get windfall profits," said Wang.

Saying that concrete restriction measures will be announced soon, Wang believed that local beef prices will not be affected because of the ban.

He promised, however, that the current import restrictions will gradually be removed.

The Commodity Prices Supervisory Board, at the same time, issued a statement warning that since local cattle ranchers can supply a mere 12 percent of the demand, the sudden ban may definitely have some impact on local beef prices.

Radio Commentary on 'Buy American' Mission

OW2109115889 Taipei International Service
in English 0200 GMT 19 Sep 89

[Station commentary: Still Buying American]

[Text] The 15th Buy American purchasing mission from the Republic of China [ROC] on Taiwan is now in the USA and has already inked contracts for more than \$350 million. The purchases are outside normal trade channels, and focus on items which Taipei has decided to buy specifically from the United States, instead of other foreign suppliers.

The Buy American program began in 1977. Thus far, the missions have purchased a total of more than \$11 billion worth of goods and services from the United States.

The missions are an extension of the Republic of China on Taiwan's buy-American policy. The ROC on Taiwan is the only country known to have a special buy-American program as national policy.

In the old days, the missions were greeted with much fanfare by local governments and business in the United States. Governors and mayors would turn out to sign contracts at press conferences, obviously trying to reap political benefit from having increased the state's or locality's foreign exports.

Nowadays, however, the missions have become too routine, and have lost their original novelty sparkle. The politicians still turn out, but media interest is low.

The Buy American program has also suffered some unfair image problems over the years. Hardline free traders in the U.S. Congress sometimes complained that the mission's were more publicity stunts than genuine efforts to reduce Taiwan's huge trade imbalance with the United States. Naturally, however, the local politicians did not see it that way.

The missions were hardly designed to be mere publicity generators. Spending nearly \$1 billion a year is hardly economical, if publicity is the goal. An advertising campaign would have been a heck of a lot cheaper, and would have had better national reach.

Politically speaking, from the ROC on Taiwan's point of view, the missions have had the extra added value of showcasing the island's seriousness about the special buy-American policy. Many of the hi-tech items bought on the missions can be purchased elsewhere, in Europe or Japan. Most of them are normally purchased through the bidding process. Yet, for the sake of single-mindedly buying American, the ROC on Taiwan sidesteps that process and accepts only the American-made products in selected areas.

The current mission will make major purchases of telecommunications equipment and large size buses. It will make smaller purchases of tobacco and alcohol products, as well as cotton. It will eventually spend almost half-a-billion U.S. dollars.

For better or for worse, the Buy American program does shine the spotlight on the Made in USA label. Little Taiwan's one-man effort to help boost the image and desire for American products should certainly be worth something to the American Government. At the very

least, the Americans should appreciate Taiwan's sincerity in going the extra mile to make buying-American a policy, rather than just a preference.

Steel Trade Consultations With U.S. Begin

OW2009023889 Taipei CNA in English 0316 GMT 19 Sep 89

[Text] Washington, Sept. 18 (CNA)—The consultation on steel trade between the Republic of China [ROC] and the United States began Monday at the office of the U.S. trade representative [USTR] in Washington.

A senior Chinese delegate described the two-day consultation, which is held under U.S. request, as a regular meeting between the two countries on steel trade, adding that the U.S. side will give the Chinese delegation a briefing of a framework for an international consensus designed by the Bush administration to remove unfair practices in steel trade.

"Both sides will certainly exchange views of steel trade between the two countries in the meeting," the Chinese delegate said.

As a matter of fact, the ROC has not participated in the VRA (voluntary restraint agreement) program, which the U.S. is trying to renegotiate 19 steel exporting countries and the European Community on behalf of its then 10 member nations before the existing VRA's between the U.S. and those countries expire on Sept. 30, 1989. [sentence as received]

Since 1985, the ROC exported its steel products to the U.S. under a self-controlled monitor system for mutual benefit.

According to trade officials, the Bush administration, in U.S. bilateral talks with the European Community, South Korea, Japan, and Mexico in early August, did not ask for the extensions of the VRA's that curb steel exports to the U.S. This has increased the speculation that the U.S. would hinge future VRA quota shares on the reactions given by these countries to the proposed U.S. framework.

Meanwhile, U.S. trade representative Carla Hills sees possible changes in steel quotas for individual U.S. trading partners under new VRA's. The U.S. chief negotiator has said "We are negotiating a new restraint agreement based on new quotas and a new international accord to end subsidies and increase market access," and that the new VRA's on steel will "not necessarily" give individual trading partners the same level of access they enjoyed under the current VRA system.

Basically, a trade official said, the ROC chief negotiator, K.S. Sheu, director general of the Board of Foreign Trade, will tell his counterparts, Mark Orr of the USTR and Clark Ellice [name as received] of the American Institute of Taiwan, in this round of steel trade consultation the ROC hopes the overall ceiling of ROC steel

exports to the U.S. will remain unchanged, or be increased a little bit in major product categories.

The U.S. permits the ROC to export 22,500 short tons of steel products per month to the U.S. market, some 1.1 percent of total U.S. imports and less than 1 percent of U.S. consumption, said the trade official.

Last year, ROC exports of steel products to the U.S. totalled 235,000 short tons.

Delegation Head to Talks With U.S. Replaced

OW2009105289 Taipei CNA in English 0236 GMT 19 Sep 89

[Text] Taipei, Sept. 19 (CNA)—Vincent Siew, secretary general of the ad hoc ROC-U.S. Trade Committee, will head the ROC delegation to the Sept. 28-29 intellectual property rights talks with the U.S. in Washington D.C.

Siew is replacing Sheu Ke-sheng, director of the Board of Foreign Trade, in the meeting with his American counterpart Sandra Christoff, assistant trade representative of the United States. She recently concluded a visit here.

The U.S. will be issuing a priority list of countries subject to retaliation under the Super 301 of its Trade Act in November.

The office of U.S. Trade Representative attaches great importance to ROC efforts and achievements in protecting intellectual property rights, and has asked that the ROC team at the consultation be headed by Siew, according to official sources.

After deep thought, they noted, the government decided to comply with the U.S. request to dispatch Siew as the chief delegate for the two-day talks. Siew will leave for the U.S. next Monday.

The ROC ad hoc committee Chairman Fredrick Chien reportedly told Christoff that the ROC had been very sincere in implementing measures to protect intellectual property rights.

Chien said he was "quite optimistic" about the results of the upcoming D.C. talks.

Trade Deficit With Japan Becoming Worse

OW2009132989 Taipei CNA in English 0237 GMT 20 Sep 89

[Text] Taipei, Sept. 20 (CNA)—The Republic of China trade deficit with Japan is continuing to worsen so both the government and private sector should encourage talented young people who have completed their advanced studies in Japan to join in trade promotion, Vincent Siew, vice chairman of the Council for Economic Planning and Development, said Tuesday [19 September].

Siew said that the ROC suffered a 4.55 billion U.S. dollar trade deficit with Japan in the first eight months of this

year, an annual growth rate of 16.7 percent. He estimated that the figure may top 7 billion U.S. dollars by the end of the year.

This unfavorable trade situation can not be quickly resolved, Siew said, so the manufacturing, the government and the schools should develop a long-term plan to resolve the problem, Siew said.

He pointed out that foreign-made products can not easily be introduced into the Japanese market as Japanese consumers have their own special consumer tastes and requirements. If the ROC wants to expand its export markets in Japan, understanding Japanese culture will be one of the essential preconditions, Siew said.

He suggested both public and private sectors encourage more young people to pursue advanced studies in Japan so as to help promote trade with Japan.

Vietnam Welcomes Economic Cooperation, Investment

OW2009040889 Taipei CHUNG KUO SHIH PAO in Chinese 3 Sep 89 p 3

[Text] Vice Mayor Nguyen Cao An of Vietnam's Ho Chi Minh City said that his country is now actively seeking trade with, and investment from, Taiwan. He was fully confident of the bright future of the development of economic and trade relations between Taiwan and Vietnam.

Ho Chi Minh City is an economic center of Vietnam and also a motive force for the current economic policy of opening to the outside world. In his interview with the reporter, Vice Mayor Juan Kao An said: Vietnam is now opening its door wide to Taiwan. It welcomes investment and technical cooperation. Meanwhile, it is expected that the exchanges in such fields as sightseeing, sports, and academic circles will be gradually strengthened. Vietnam sincerely hopes that long-term and stable cooperation between Taiwan and Vietnam will be established. In order to ensure the willingness of mutual cooperation, both countries should promote understanding to create mutually-beneficial and mutually-preferential groundwork favorable for developing relations.

Although a long, empty page exists in the history of relations between Taiwan and Vietnam, Nguyen Cao An stressed that "We welcome Taiwanese." He said: International society is now in a period of appeasement. The world is striving for peace and friendship. If economic and trade cooperation between Taiwan and Vietnam can reach a good result, it will certainly promote peace and friendship between the two countries. In addition to economic and trade exchanges, Juan Kao An expressed his belief that other social contacts, such as exchanges of visit in sports, sightseeing, cultural, press, and academic circles, are also very important. Next year will be the centennial of the founding of Ho Chi Minh City. There

will be a variety of sightseeing activities for the anniversary. Vice Mayor Nguyen Cao An said: "Taiwan will also be one of the important prospective guests we shall invite."

Nguyen Cao An also pointed out concretely: The projects Vietnam needs most for foreign investment are infrastructural construction, such as communications, harbors, airports, transportation, roads, railways, and others. Taiwan's capital, as well as high-tech knowhow are things most needed in Vietnam. Some Taiwan firms have already decided to set up plants in the newly-established export processing zone for export production. Ho Chi Minh City would also like to actively engage in joint ventures with Taiwan's firms to open foreign markets. Since most equipment in Vietnam's plants is very outdated, it is impossible to increase the value of products. Juan Kao An expressed the hope that,

with joint venture plans, Taiwan's industrial and commercial firms can bring advanced equipment, tools, and machines into Vietnam and improve processing technology to better equip Vietnamese products to compete in foreign markets.

In the aspect of industrial development, Nguyen Cao An said: Development of textiles, living commodities, shipbuilding, transportation vehicles, papermaking, rubber, and others are key industries Vietnam intends to strengthen. At present, there are about 300,000 unemployed in Vietnam, and the development of industry is urgently needed. Therefore, labor-intensive industry, which can provide a large number of employment opportunities is highly welcomed. Besides, the price and labor cost in Vietnam are very low. Nguyen Cao An said he believed that Vietnam would be a very inviting place for investment from Taiwan.

Hong Kong

UK Minister of State Comments on Issues

Future of Boat People

OW2009100489 Beijing XINHUA in English
0639 GMT 19 Sep 89

[Text] Hong Kong, September 19 (XINHUA)—There is no alternative to repatriation for the vast majority of Vietnamese boat people, Francis Maude, British minister of state for foreign and Commonwealth affairs, said here Monday.

Maude, who arrived in Hong Kong Sunday, was speaking to reporters after visiting a Vietnamese boat people camp at Hei Ling Chau. He said the sooner that message was understood, the more human misery could be avoided.

He said the first priority is to encourage people to return to Vietnam voluntarily through counselling.

The second priority is to work with the international community to find permanent solutions to the problem.

"There is no country which believes that there is an alternative and what we have to do is to work together with the international community to make that reality," Maude noted.

The British minister added that there was a serious doubt whether voluntary repatriation on its own would solve the problem.

"I think it's in the highest degree unlikely that it will solve the problem fully, so what we have to do is to make sure that when we move to other systems of repatriation, that it works," he said.

Currently, there are more than 56,000 Vietnamese boat people being detained in Hong Kong, a screening process is still going on which is believed to determine the majority as just economic emigrants who must face repatriation.

Restoration of Confidence

HK2009023789 Hong Kong SOUTH CHINA
MORNING POST in English 20 Sep 89 pp 1, 6

[By S. Y. Wai and Simon Macklin]

[Text] British Foreign Office Minister Francis Maude yesterday called on China to restore confidence in Hong Kong by recognising the concerns felt by local people over the draft Basic Law.

But Mr Maude, the Minister with special responsibility for Hong Kong, said China and the UK should deal with their differences in private and stop the public war of words which has been raging since the June 4 incident in Beijing.

At a press conference winding up his three-day visit, Mr Maude said both sides should hold talks in private in a "sensible, quiet, firm and open" way when the Sino-British Joint Liaison Group resumes meeting next week.

To restore confidence, he said, the two governments should work hard privately to promote Hong Kong's best interest rather than "always shouting what we are doing on the rooftop".

Despite the new "quiet" strategy, Mr Maude assured Hong Kong that Britain would put forward Hong Kong's interest persuasively and firmly in its discussions with Beijing.

"Both China and the UK agreed in the Sino-British Joint Declaration that they should work together to ensure the long-term future of Hong Kong. I have no doubt that both sides would do it," he said.

However, Mr Maude maintained that it was perfectly proper and legitimate for Whitehall to express its views towards the drafting of the Basic Law even though it was clearly a matter for the Chinese Government.

That Hong Kong suffered from a confidence crisis as a result of the Beijing incident was a historical fact, he noted, although senior Chinese officials had denied the existence of such a crisis.

Beijing was therefore primarily responsible for restoring local confidence and both London and Hong Kong wanted China to take concrete steps to contain the problem, Mr Maude said.

China could do so by recognising that there were concerns on some aspects of the draft Basic Law and by ensuring that such concerns would be truly reflected and assimilated in the final version of the mini-constitution, he added.

Mr Maude said Britain could help rebuild local confidence by granting some residents full British passports. But he admitted that such a scheme was bound to be divisive.

"Our aim is to give people in the public and private sectors whose skills are essential to Hong Kong's continued success, the confidence to remain. There is no way in which we can cover everybody and there has to be some process of selection.

"It's clearly the case if you give the right of abode to some and not to others. Then there is a distinction being made between people and that is an uncomfortable fact that has to be faced," he said.

Mr Maude declined to say when Whitehall would announce what categories of Hong Kong British citizens who would benefit from the scheme. [sentence as published]

"I can't give you a concrete answer. We are working on it very hard and we hope to have one before long. It won't be next week and it won't be several months either," he said.

On political development, Mr Maude said Whitehall would make a decision with the Hong Kong Government on the pace of reforms on the basis that Hong Kong had a clear desire to see further progress towards democratisation.

Mr Maude said he recognised the growing number of Vietnamese boat people in Hong Kong was placing an "intolerable burden" on the territory.

The issue was of "unique importance" to all of those he had spoken to in Hong Kong, Mr Maude said.

Voluntary repatriation on its own was unlikely to resolve the problem and negotiations were continuing with the Vietnamese authorities to reach a more permanent solution to the problem.

Mr Maude said he hoped further progress could be made at the forthcoming international meeting in Geneva.

"That is a meeting at which we will be taking a very full part. I can assure you," he said.

The international community including Vietnam had accepted the only future for the boat people who were determined not to be refugees was for them to return to Vietnam.

Mr Maude said it was hoped to find a way of putting this agreement into action which would find the support of the full international community.

The UK authorities had already given 21 million pounds (HK\$258.3 million) towards the care of the boat people in the past 18 months but Mr Maude would not pledge any further funds.

Before he entered the press conference Mr Maude was presented with a petition on behalf of the Justice and Peace Commission of the Hong Kong Catholic Diocese.

The group called for Britain to end its plans for mandatory repatriation of Vietnamese boat people and instead increase the number of resettlement places.

Mr Maude returned to Britain last night after visiting Hong Kong for the first time since he succeeded Lord Glenarthur in July.

He met senior Government officials, Executive and Legislative Councillors, civil servant unionists, community leaders and 14 pressure groups and visited a Vietnamese boat people detention centre and a refugee camp during his stay.

The Governor, Sir David Wilson, said yesterday Mr Maude's visit was constructive and it was important for Hong Kong people to put across directly their concerns to the new ministerial team for Hong Kong.

Liberal camp leader Lee Wing-tat asked Mr Maude to consider using opinion polls to find out what Hong Kong people wanted for the future political system.

XINHUA Director Blames UK for Strained Ties

HK2009024189 Hong Kong HONGKONG STANDARD in English 20 Sep 89 p 16

[By Sunny Sung]

[Text] China's top man in Hong Kong has blamed Britain for the strained Sino-British ties over the future of the territory.

Mr Xu Jiatao, director of the local branch of the XINHUA News Agency, in his first public appearance yesterday since the June 4 Beijing massacre, said "some problems" had surfaced recently but that they were a temporary phenomena.

His remarks were apparently aimed at the recent dispute between China and Britain over the role of the People's Liberation Army here after 1997.

It also touched on the question of how confidence could be restored here.

Mr Xu, who made an unexpected appearance at an exhibition of paintings at the Art Centre yesterday, said the strained relations were caused by the British side.

Therefore, it was up to Britain to restore trust and cooperation between the two countries, he said.

Mr Xu said as Hong Kong would still be under British rule until 1997, the United Kingdom had "to do more" for the territory's benefit.

Asked what China could do in this respect, Mr Xu said it had already done a lot, such as the repeated reassurance from Chinese leaders that they would stick to the principle of the "one country, two systems" policy.

Regarding the recent heated debates over the political blueprint for the future Hong Kong Special Administrative Region, Mr Xu said the Basic Law Drafting Committee (BLDC) would consider all proposed political models.

It would do so under the principle of safeguarding Hong Kong's prosperity and stability, he said.

Debate on the future political structure was fuelled by the two-house system proposed by the New Hong Kong Alliance and the 4-4-2 model put forward by the conservatives.

Mr Xu said the BLDC would base its decisions on the long-term benefits that would accrue to Hong Kong.

Regarding the return of liberal drafter Mr Lee Chu-ming to the Basic Law Drafting Committee, Mr Xu said it was up to the committee to decide whether it should accept him back.

Ji Pengfei Reaffirms 'Two Systems' Concept

OW2109072489 Beijing XINHUA in English
0705 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—Director of the Hong Kong and Macao Affairs Office under the State Council Ji Pengfei re-stated here that the Chinese Government's policies toward Hong Kong and Macao, which have been formulated in line with the concept of "one country, two systems", will not change.

In an article in today's "PEOPLE'S DAILY", Ji said that some people in Hong Kong and Macao have recently expressed misgivings about whether the Chinese Government will continue to implement its policies toward Hong Kong and Macao.

He said the Chinese Government will consistently abide by the Sino-British joint declaration on the future of Hong Kong and the Sino-Portuguese joint declaration on the question of Macao.

"Our policies will not change," he said, adding that the concept of "one country, two systems" is not a makeshift measure but a policy of strategic importance.

To carry out this policy will contribute to the peaceful reunification of the motherland, maintenance of stability and prosperity in Hong Kong and Macao, protection of the interests of other countries in Hong Kong and Macao, and safeguarding world peace.

There is no reason to change this "correct policy," he said.

Under the policy, Ji said, the capitalist system will continue in Hong Kong and Macao while the socialist system will be maintained on the mainland during the present transition period and after China exercises sovereignty over them.

On economic relations, Ji said the mainland and Hong Kong and Macao should bring their respective advantages into play to achieve joint development on the basis of concerted efforts and mutual benefit.

He stressed that the mainland acknowledges that Hong Kong and Macao have capitalist systems and will not introduce the socialist system or policies.

On the other hand, Ji said, Hong Kong and Macao will respect the socialist system on the mainland. They are not allowed to interfere in or attempt to change the socialist system on the mainland. Nobody is permitted to use Hong Kong or Macao as a base to subvert the central government, he pointed out.

Generally speaking, the mainland and Hong Kong and Macao should strive for joint development under the concept of "one country, two systems," he reiterated.

Ji Pengfei Meets, Fetes Journalist Group

OW2009134489 Beijing XINHUA in English
1258 GMT 20 Sep 89

[Text] Beijing, September 20 (XINHUA)—Ji Pengfei, director of the Hong Kong and Macao Affairs Office under the State Council, met and hosted a banquet for a delegation from two Hong Kong newspapers, "TA KUNG PAO" and "WEN WEI PO", here tonight.

The delegation is led by Chen Bojian, deputy publisher of "WEN WEI PO," and Chao Tse Lung and Chen Bin, deputy editors-in-chief of "TA KUNG PAO".

Alliance Details Support Extended to Dissidents

HK2109012189 Hong Kong HONGKONG STANDARD
in English 21 Sep 89 p 1

[By Tonny Chan and Ma Miu-wah]

[Text] A local alliance supporting the democracy movement in China has spent nearly \$900,000 assisting Chinese dissidents who fled the mainland after the June 4 crackdown.

An undisclosed number of fugitives have received help including lodging and food while they stayed in Hong Kong.

The Hong Kong Alliance in Support of the Patriotic Democratic Movement in China paid for dissidents' air fares and gave them money to settle abroad.

Mr Albert Ho Chun-yan, alliance secretary, said yesterday the help was provided on "humanitarian grounds". He said they would continue to assist "those whose lives are at stake because of the democratic movements in China" until they found a safe place.

But he refused to say how the activists were sent from Hong Kong and to disclose how many the alliance had helped.

The alliance's balance sheet from May 21 to August 14 was also released for the first time.

It showed \$24 million had been received. Of the sum, \$4.5 million was disbursed. As at August 14, its fund had a surplus of \$19.5 million.

Mr Ho said the alliance might create two funds, one supporting overseas democratic activities and another dedicated to local programmes to promote democracy in China.

"But we have yet to come up with a concrete plan for using the money. However, we would not engage in any violent activities," he said.

Mr Ho said China Democratic Front organisers had contacted them for funding approaching "hundreds of thousands of dollars" to begin the Paris-based group.

"The alliance executive committee has committed \$100,000 to it and our general assembly is likely to transfer more to it after receiving the front's budget," Mr Ho said.

A score of Chinese activists, including Mr Yan Jiaqi and Mr Wu'er Kaixi, will meet in Paris tomorrow to announce its formation.

The front will be the third pro-democracy organisation partially funded by the alliance.

Mr Ho said the alliance despatched US\$50,000 (HK\$400,000) to the federation of Students in the United States last month and HK\$1.2 million to a group formed by Beijing students and dissidents.

In another development, the alliance changed its 40th National Day of China plans. Instead of the "National Day of Grief" once planned, the group will ask for a "Day of Reflection".

A rally will include a wreath-laying ceremony on October 1. An alliance member, who insisted anonymity, said the first idea denied the party's role in establishing the republic.

XINHUA Reviews Trade With Territory

OW2109080889 Beijing XINHUA in English
0656 GMT 21 Sep 89

[Text] Beijing, September 21 (XINHUA)—The total trade volume between the Chinese mainland and Hong Kong increased from 2.043 billion H.K. dollars in 1950 to 288.572 billion H.K. dollars in 1988, reported today's "PEOPLE'S DAILY."

In the past 40 years the mainland has been Hong Kong's major supplier of food, daily necessities and industrial raw materials, while Hong Kong has been a traditional export market for the mainland.

During this period bilateral economic cooperation has expanded from trade to finance, industry, science and technology, communications and tourism.

In recent years 12,000 Hong Kong firms have invested in the mainland, with a total investment valued at five billion U.S. dollars. Most of these firms are involved in the materials-processing industries.

In return, the mainland has provided land and labor for Hong Kong businesses, the paper added.

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